



**Western Cape
Government**

Economic Development
and Tourism



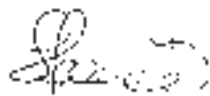
Annual Report 2013/14
Economic Development and Tourism

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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 2013 to 31 March 2014.



Mr Solly Fourie
Accounting Officer
31 July 2014

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**PART A:
GENERAL INFORMATION**

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS

AA	Affirmative Action
ADEP	Aquaculture Development Enhancement Programme
ADZ	Aquaculture Development Zone
AGSA	Auditor-General of South Africa
AO	Accounting Officer
AOPI	Auditing of Performance Information
APP	Annual Performance Plan
AMTS	Advanced Manufacturing and Technological Strategy
BAS	Basic Accounting System
BBBEE	Broad-based Black Economic Empowerment
BCI	Business Confidence Index
BEE	Black Economic Empowerment
BER	Bureau for Economic Research
BI	Business Intelligence
BPeSA	Business Process enabling South Africa
BPIW	Business Performance Improvement Workshop
BPO	Business Process Outsourcing
BRIC	Brazil, Russia, India, China
CASIDRA	Cape Agency for Sustainable Integrated Development in Rural Areas
CATHSSETA	Culture, Arts, Tourism, Hospitality, Sports, Sector Education and Training Authority
CBD	Central Business District
CCDI	Cape Craft and Design Institute
CCTC	Cape Clothing and Textile Cluster
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CHEC	Cape Higher Education Consortium
CGCSA	Consumer Goods Council of South Africa
CIS	Co-operative Incentive Scheme
CITI	Cape Information and Technology Initiative
CLOTEX	Cape Clothing and Textile Service Centre
CMA	Cape Metropolitan Area
CMT	Cut, Make and Trim
COGTA	Co-operative Governance and Traditional Affairs
CPA	Consumer Protection Act
CPUT	Cape Peninsula University of Technology

CRDP	Comprehensive Rural Development Programme
CSC	Corporate Services Centre
CSIR	Council for Scientific and Industrial Research
CSP	Community, Social and Personal services
CTCP	Clothing and Textiles Competitiveness Programme
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
DMO	Destination Marketing Organisation
DoA	Department of Agriculture
DoE	Department of Energy
DPISA	Department of Public Service and Administration
DST	Department of Science and Technology
DTM	Departmental Top Management
dti	Department of Trade and Industry
ECM	Electronic Content Management
EDP	Economic Development Partnership
EE	Employment Equity
EHWP	Employee Health and Wellness Programme
EIA	Environmental Impact Assessment
EPI	Economic Performance Index
EPWP	Extended Public Works Programme
ERM	Enterprise Risk Management
EU	European Union
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FEDHASA	Federated Hospitality Association of South Africa
FET	Further Education and Training
FIU	Forensic Investigation Unit
GDP	Gross Domestic Product
GDPR	Gross Domestic Product per Region
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit

HCT	HIV Counselling and Testing
HEI	Higher Education Institution
HOD	Head of Department
HRD	Human Resource Development
ICAN	Integrated Community Access Network
ICAS	Independent Counselling and Advisory Service
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IDP	Industrial Development Plan
IDZ	Industrial Development Zone
IEDS	Integrated Economic Development Services
IPAP	Industrial Policy Action Plan
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
MAPPP-SETA	Media, Advertising, Publishing, Printing, and Packaging Sector Education Training Authority
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MEDS	Micro-Economic Development Strategy
MERO	Municipal Economic Review and Outlook
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
NCC	National Consumer Commission
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
NIMS	National Integrated Manufacturing Strategy
NO	National Outcome
NPO	Non-Profit Organisation
NT	National Treasury
NTIP	National Tooling Initiative Programme
NTSS	National Tourism Sector Strategy
OCP	Office of the Consumer Protector
OD	Organisational Design
OECD	Organisation for Economic Co-operation and Development
OPITO	Offshore Petroleum Industry Training Organisation
PACA	Participatory Appraisal of Competitive Advantage
PCLT	Port Cluster Leadership Team
PERA	Premier's Entrepreneurship Recognition Awards
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PGF	Provincial Growth Fund
PGDS	Provincial Growth and Development Strategy
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PSCBC	Public Service Commission Bargaining Chamber
PSDF	Provincial Skills Development Forum
PSO	Provincial Strategic Objective
PT	Provincial Treasury
PWD	People with Disabilities
RE	Renewable Energy
REIPPP	Renewable Energy Independent Power Producer Procurement Programme
RFP	Request for Proposals
RIA	Regulatory Impact Assessment
RIN	Regional Innovation Network
RLED	Rural and Local Economic Development

SAHTA	South African Honeybush Tea Association
SAQA	South African Qualifications Authority
SALGA	South African Local Government Association
SANParks	South African National Parks
SAOGA	South African Oil and Gas Alliance
SAPS	South African Police Service
SARETC	South African Renewable Energy Training Centre
SARS	South African Revenue Service
SAT	South African Tourism
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
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
SKA	Square Kilometre Array
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro Enterprises
SO 1	Strategic Objective 1
SOC	State-Owned Company
SPV	Special Purpose Vehicle
STATSSA	Statistics South Africa
TAU	Technical Assistance Unit
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
UNIDO	United Nations Industrial Development Organisation
UNWTO	United Nations World Tourism Organisation

VPUU	Violence Prevention through Urban Upgrading
WCADI	Western Cape Aquaculture Initiative
WCCAT	Western Cape Consumer Affairs Tribunal
WCFI	Western Cape Furniture Initiative
WCFFI	Western Cape Fine Food Initiative
WCG	Western Cape Government
WCLA	Western Cape Liquor Authority
WCSD	Western Cape Supplier Database
WCTDF	Western Cape Tourism Development Framework
WCTI	Western Cape Tooling Initiative
Wesgro	Western Cape Investment and Trade Promotion Agency
WISP	Western Cape Industrial Symbiosis Project
WTTC	World Travel and Tourism Council
W&R SETA	Wholesale & Retail Sector Education and Training Authority

3. FOREWORD BY THE MINISTER



I am honoured to present the Department of Economic Development and Tourism's Annual Report for 2013/14.

During the year under review, this Department went above and beyond to stimulate growth and create jobs so that the people of this province can live better lives. Doing so required of each and every staff member to embrace the belief of this administration that our role is not to give small-scale assistance, but rather to create a world-class environment for business... to 'think big'.

While the work of each programme contributed to furthering the above goal, I would like to highlight a few initiatives that speak directly

to the above belief, and to the innovative spirit that is prevalent within the work of this Department.

The Red Tape Reduction Unit was very successful in responding to the needs of business by addressing 90.2% of the 1312 queries logged with it. This team intervened in seemingly impossible situations in our and other spheres of government to ensure that businesses received the help they needed so that they could do what they do best: grow our economy and create jobs. The introduction of the first phase of a Regulatory Impact Assessment will also significantly assist in reducing the cost of doing business in the region.

The Work and Skills Programme - our programme that facilitates paid, at-work internships for out-of-work matriculants - gained national recognition for its achievements in assisting the young people of our province to find employment - and their lives were changed for the better, forever. I am proud to note that many of the participants were permanently employed following the internship period. These young people are now part of our economy.

The above programmes are but a few of the very many that have resulted in this Department making a valuable contribution to the residents of the Western Cape. I would like to extend my sincere thanks to all the staff of DEDAT for their unwavering dedication in giving our residents the opportunity to live better lives. I would like to issue a special thank you to the Head of Department, Mr Solly Fourie, for his leadership and strategic guidance.

“During the year, this Department went above and beyond to stimulate growth and create jobs so that the people of this province can live better lives.”

A handwritten signature in black ink, appearing to read 'Alan Winde', written in a cursive style.

Mr Alan Winde
Minister of Economic Development and Tourism

Date: 31 July 2014

4. REPORT OF THE ACCOUNTING OFFICER



The activities of the Department span a wide range of the economy and the goal of supporting a demand-led, private sector-driven approach to economic development was again successfully achieved.

The Department assisted 2 343 businesses to increase their economic footprint through a combination of business support, coaching and mentoring, leveraging of funding or non-financial support. It also promoted supplier development programmes to make those businesses more effective. The linking of these businesses with sector structures was also a key feature of our efforts and the interface between the sector and enterprise development units, provided a very good transversal support to businesses in the region.

Our sector development team assisted seven sectors and supported the creation of 739 job opportunities through trade and export promotion. In addition, the region once again enjoyed a very successful visitor season and the role of the Department in promoting the Western Cape as a key tourist haven contributed to this.

The designation of the Saldanha Industrial Development Zone as well as the roll out of pilot projects within Stream 2 of the Broadband project are key catalytic economic infrastructure projects which contributed to the region becoming more competitive and enabling of a thriving economy.

We continue to make significant impact in reducing the skills gap between the supply and demand for skills by the economy through our work in the artisan development, work and skills and business and financial services areas. The launch of the African Institute for Financial and Risk Management was an indication of successful collaboration between the Department, UCT and business in order to meet a key challenge in the financial management risk arena.

From a regulatory perspective, the Department plays an oversight role of the Liquor Authority and the continued success of the Office of the Consumer Protector also contributed to a well-functioning economic system.

“The Department’s primary role is to support the creation of an enabling economic environment which is conducive to economic growth, economic development and economic inclusion.”

Challenges for the year

A continued challenge is adapting to the role of vertical integrator which the Department must play to ensure greater inclusion within the economic system within the region. In order to do this, the Department had to (and will continue to) align its activities with those of the various spheres of government, as often the economic delivery efforts are divided among many different role-players.

The challenging and uncertain global economic situation continued to present the Western Cape region with particular systemic challenges which, due to the uncertainties of predictive consumer behaviour, affected our planning. The global situation has had, and will continue to have, a negative effect on investor sentiment, leading to possible decreased focus on job creation by firms.

Departmental Receipts

Departmental Receipts	2013/14			2012/13		
	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
- Casino taxes						
- Horse racing taxes						
- Liquor licences	24 000	28 328	(4 328)	13 315	24 822	(11 507)
- Motor vehicle licences						
Tax Receipts	24 000	28 328	(4 328)	13 315	24 822	(11 507)
Sale of goods and services other than capital assets	270	388	(118)	270	418	(148)
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land		14	(14)		9	(9)
Sale of capital assets						
Financial transactions in assets and liabilities		2 851	(2 851)		4 320	(4 320)
Total	24 270	31 581	(7 311)	13 585	29 569	(15 984)

For the 2013/14 financial year, the Department budgeted an amount of R24.270 million for revenue. This estimate was based on R24 million for liquor license fees and a further R270 000 for registration fees of tourist guides.

Actual revenue collected with regard to liquor license fees was exceeded by R4.328 million. This was primarily due to a greater number of outlets being licensed due to a drive by the Liquor Authority to reduce the number of unlicensed establishments.

In terms of the tourist guide registration fees 1 477 tourist guides were registered during the financial year resulting in an over-collection of revenue of amounting to R118 000.

During the financial year, the Department over-collected on its financial transactions in assets and liabilities by an amount of R2.851 million. This amount comprised primarily of the retention of surplus funding from Wesgro as well as improved debt collection activities instituted by the Department. Wesgro retained an amount of R2.617 million with the Department reducing its debt by more than R107 000.

Programme expenditure

Programme Name	2013/14			2012/13		
	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	33 249	33 249	-	25 254	25 210	44
Integrated Economic Development Services	50 007	50 007	-	51 322	51 306	16
Trade and Sector Development	129 828	124 240	5 588	102 276	101 296	980
Business Regulation and Governance	41 481	41 481	-	34 871	34 820	51
Economic Planning	34 696	34 690	6	24 760	24 737	23
Tourism, Arts and Entertainment	47 554	47 554	-	50 413	50 345	68
Skills Development and Innovation	36 158	36 158	-	26 689	26 630	59
Total	372 973	367 379	5 594	315 585	314 344	1241

During the 2013/14 financial year, the Department was allocated an original budget of R389.451 million. This budget was allocated as follows:

- **Programme 1: Administration** – R31.972 million. The main purpose of the Programme was to provide the overall leadership to the Department and manage the administrative processes such as financial management and corporate services functions which include communications and human resource management liaison with the Department of the Premier.
- **Programme 2: Integrated Economic Development Services** – R48.634 million. The funding allocated to this Programme was to deliver on the mandate of creating an enabling environment through promoting entrepreneurship and small business development; engaging local areas to ensure that Local Economic Development can contribute to a greater degree in encouraging and promoting the objective of sustainable economic growth and creation of jobs in rural areas; and the promotion of red tape reduction to ensure that enterprises can grow without the unnecessary burdensome legislative or policy framework that could result in stunted growth of business and communities.
- **Programme 3: Trade and Sector Development** – R145.306 million. Funding allocated to this Programme was primarily to support industry development through the guidance and support of sector specific interventions; the promotion and guidance of trade and investment promotion such as promoting the Western Cape as a destination for foreign direct investment and export development assistance; and the support for various economic infrastructure initiatives.
- **Programme 4: Business Regulation and Governance** – R42.220 million was allocated to this Programme to ensure an equitable and socially responsible business environment through the support of consumer protection services and the support of the Western Cape Liquor Authority.

- **Programme 5: Economic Planning** – R34.151 million. Funding was allocated to the Programme to ensure that its mandate of providing strategic support initiatives such as Research, Monitoring and Evaluation and Knowledge Management services could be provided to the Department. A further initiative of the Programme was to position the Western Cape as the Green Economic Hub of South Africa.
- **Programme 6: Tourism, Arts and Entertainment** – R49.181 million was allocated to position the Western Cape as the premier tourist destination and build a responsive tourism industry that can meet future demands.
- **Programme 7: Skills Development and Innovation** – An amount of R37.987 million was allocated to the Programme to facilitate the promotion of skills development as a major lever in the fight for economic freedom and the promotion of the work and skills and artisan skills activities.

During the Adjustment Estimate process the Department's budgetary allocation was reduced by R16.478 million.

This was primarily due to an amount of R17.395 million being shifted from Programme 3: Trade and Sector Development in support of the Provincial Broadband Initiative and R3.7 million being shifted from Programme 7: Skills Development and Innovation for a skills project.

Furthermore, the Department also received funding amounting to R2 million in support of the Liquefied Natural Gas (LNG) importation plan initiative as well as funds from its over-collection of own revenue to support the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) amounting to R2.617 million resulting from its retention of surpluses which was re-voted to the Department.

Post Adjustment Estimate the adjusted budget of R372.973 million was allocated per programme as follows:

Programme 1: Administration – R32.472 million

Programme 2: Integrated Economic Development Services – R49.994 million

Programme 3: Trade and Sector Development – R129.828 million

Programme 4: Business Regulation and Governance – R41.481 million

Programme 5: Economic Planning – R35.851 million

Programme 6: Tourism, Arts and Entertainment – R47.560 million

Programme 7: Skills Development and Innovation – R35.787 million

During the financial year, the Department also effected a total of 5 virements. An amount of R1.155 million was shifted from Programme 5: Economic Planning and R6 000 from Programme 6: Tourism Arts and Entertainment to Programme 1: Administration, Programme 2: Integrated Economic Development Services and Programme 7: Skills Development and Innovation.

As at 31 March, the Department expended 98.51% or R367.379 million of its allocated budgets in the execution of its mandate as articulated in Strategic Objective 1: Creating opportunities for growth and jobs. The financial position of the Department is displayed in the table above.

Future plans of the Department

The Department's primary role is to support the creation of an enabling economic environment in the province which is conducive to positive economic growth, economic development and economic inclusion.

Whilst the Department will play an active role in ensuring that its projects and programmes contribute to the attainment of the three focus areas listed above, it will also play a leading role in ensuring that the horizontal and vertical leadership of the economic system of the province is promoted and effectively delivered.

Therefore the future plans and activities of the Department will be characterised by greater emphasis on the leadership, advocacy and influential role which the projects and programmes are intended to achieve. Together with this, the collaborative role linking the local, provincial and national economic stakeholders, to produce a cohesive and synergistic approach to the creation of an enabling environment, will form part of the new delivery mechanism for the Department. Ultimately, all of the efforts will contribute to a reduction in unemployment and lowering the cost of doing business in the province.

The Department will continue to build on the platform laid over the last year to accelerate the programmes and projects such as:

- a) Successful Stream 2 Broadband Roll Out
- b) Effective Skills Development within the Artisan and Business Optimisation areas
- c) Projects implemented within the Green Economy
- d) Maximisation of efforts linking interventions within Business Development and specific primary sectors
- e) Reducing the cost of doing business through the reduction of red tape
- f) Scaling up our efforts to promote a thriving Visitor Economy.

Public Private Partnerships

No PPP were entered into during the year under review.

Discontinued activities

No activities will be discontinued during the 2014/15 financial year.

New or proposed activities

There are no new or proposed activities envisaged for the 2014/15 financial year.

SCM processes and systems to prevent irregular expenditure

The Department does have systems in place namely, Accounting Officer's system, transaction checklists, transaction templates, monthly monitoring of transactions as well as monthly reconciliations.

Exemptions and deviations received from the National Treasury

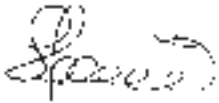
The Department appointed the transaction advisor for the LNG project via a limited bid process. The contract value was more than R1 million and therefore it was presented at the Bid Specification and Bid Adjudication Committees and approved by the Accounting Officer. The relevant approved documents were sent to the Provincial Treasury and the Auditor General as per the National Treasury requirements.

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 continued to progress in achieving our goals and objects.

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: Economic Development and Tourism

Date: 31 July 2014

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 in the annual report is consistent with the annual financial statements audited by the Auditor General.

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.

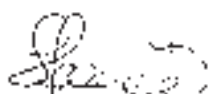
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control 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 2014.

Yours faithfully



Mr Solly Fourie
Accounting Officer

Date: 31 July 2014

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

The mission of the Department is to 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 the economic citizens, in order to support the government's goal of creating opportunities for businesses 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 the Department espouses are:

- Competence
- Accountability
- Integrity
- Responsiveness
- Care

6.4 Strategic Outcome Orientated Goals

The Strategic Outcome Orientated Goals of the Department are aligned to the objectives as expressed in Provincial Strategic Objective One: Creating opportunities for growth and jobs.

- Employment rate in the Western Cape
- The total GDP growth of the province per annum
- Approved economic strategic plan
- % increase in business confidence index
- % growth in employment
- % increase in value of exports
- Value of infrastructure investment
- Number of working opportunities facilitated

7. LEGISLATIVE AND OTHER MANDATES

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

Public Finance Management Act, 1999 (Act 1 of 1999)

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).

Liquor Act, 2003 (Act 59 of 2003)

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

Businesses Act, 1991 (Act 71 of 1991)

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

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

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

Consumer Protection Act, 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.

Small Business Amendment Bill, 2004

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

Municipal Systems Act, 2000 (Act 32 of 2000)

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

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

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

The National Integrated Manufacturing Strategy (NIMS)

NIMS is a technologically advanced national approach implemented through the Department of Trade and Industry aimed at bringing together all role players in the industry to develop a collective vision with the purpose of ensuring sustainable development and growth and that technological resources are developed, focused and utilised proficiently.

The Advanced Manufacturing and Technological Strategy (AMTS)

AMTS is a technologically advanced provincial policy in line with iKapa Elihlumayo principles and the Department's strategic priorities which will concentrate more on sector-based initiatives rather than the broad-based IMS. These initiatives will be implemented through the Council for Scientific and Industrial Research (CSIR).

Western Cape Tourism Development Framework (WCTD Framework)

Provides for the destination vision and strategy for tourism in the Western Cape and is the high level sector strategy for tourism that forms part of the Department's Micro-economic Development Strategy. The Western Cape Tourism Development Framework ensures joint planning, budgeting and implementation between the 3 spheres of government in the first instance and all of the social partners in the second instance. The Western Cape Tourism Development Framework has defined targets and outcomes that need to be achieved over a ten-year timeframe. It is a living and dynamic document, with research constantly being added to the evidence base and analysis being adjusted as circumstances change. There will be a major review on a five-year basis.

The WCTD Framework consists of the following sub-strategies which outline the key focus areas in more detail:

- The Integrated Tourism Development Framework [ITDF], which includes:
- The Western Cape Tourism Investment Recruitment Framework
- The Tourism Road Signage Framework
- The Tourism Human Resources Development [HRD] Strategy
- The Tourism BBBEE Strategy and Implementation Plan

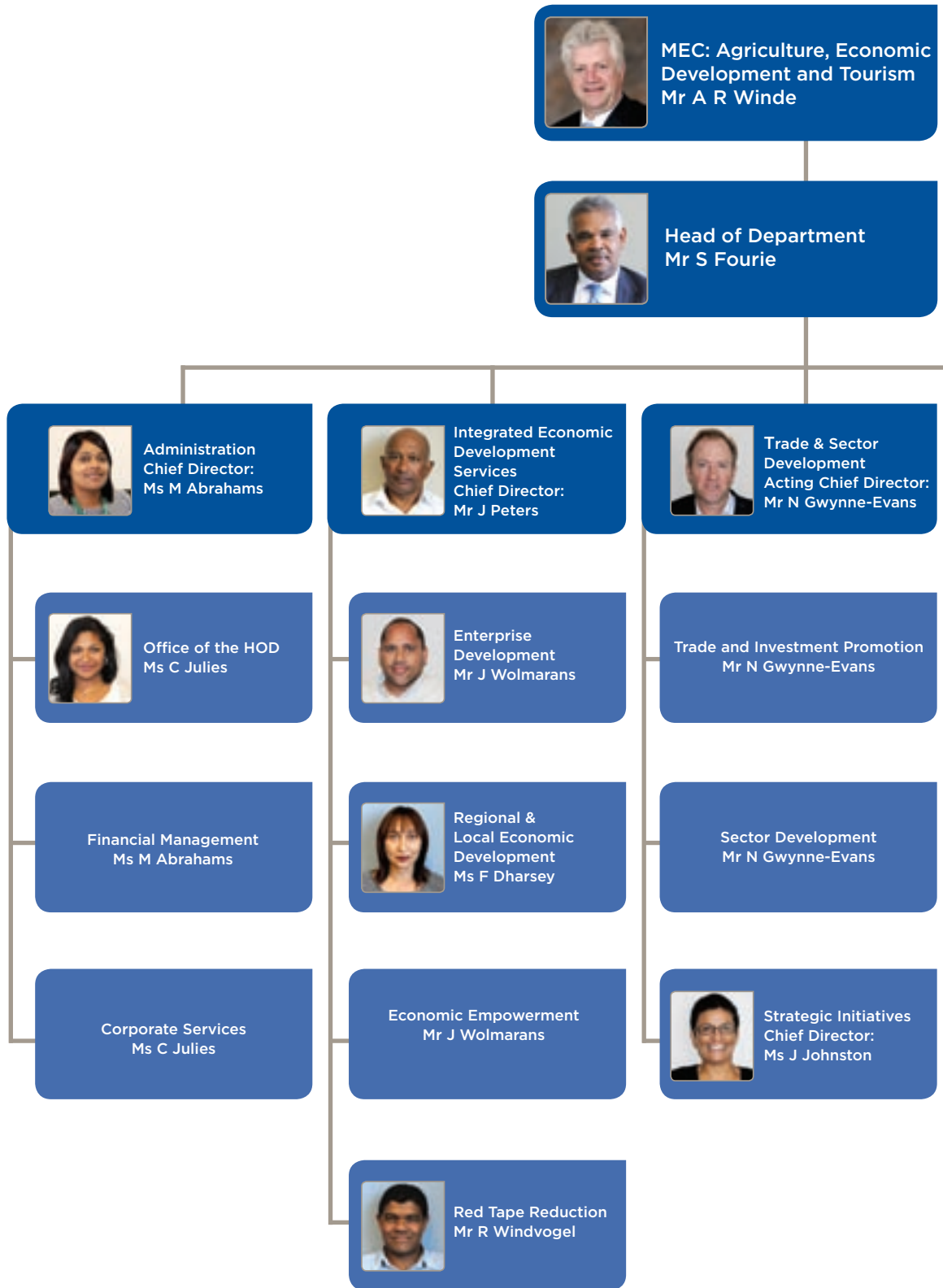
National Tourism Second Amendment Act, 2000 (Act 70 of 2000)

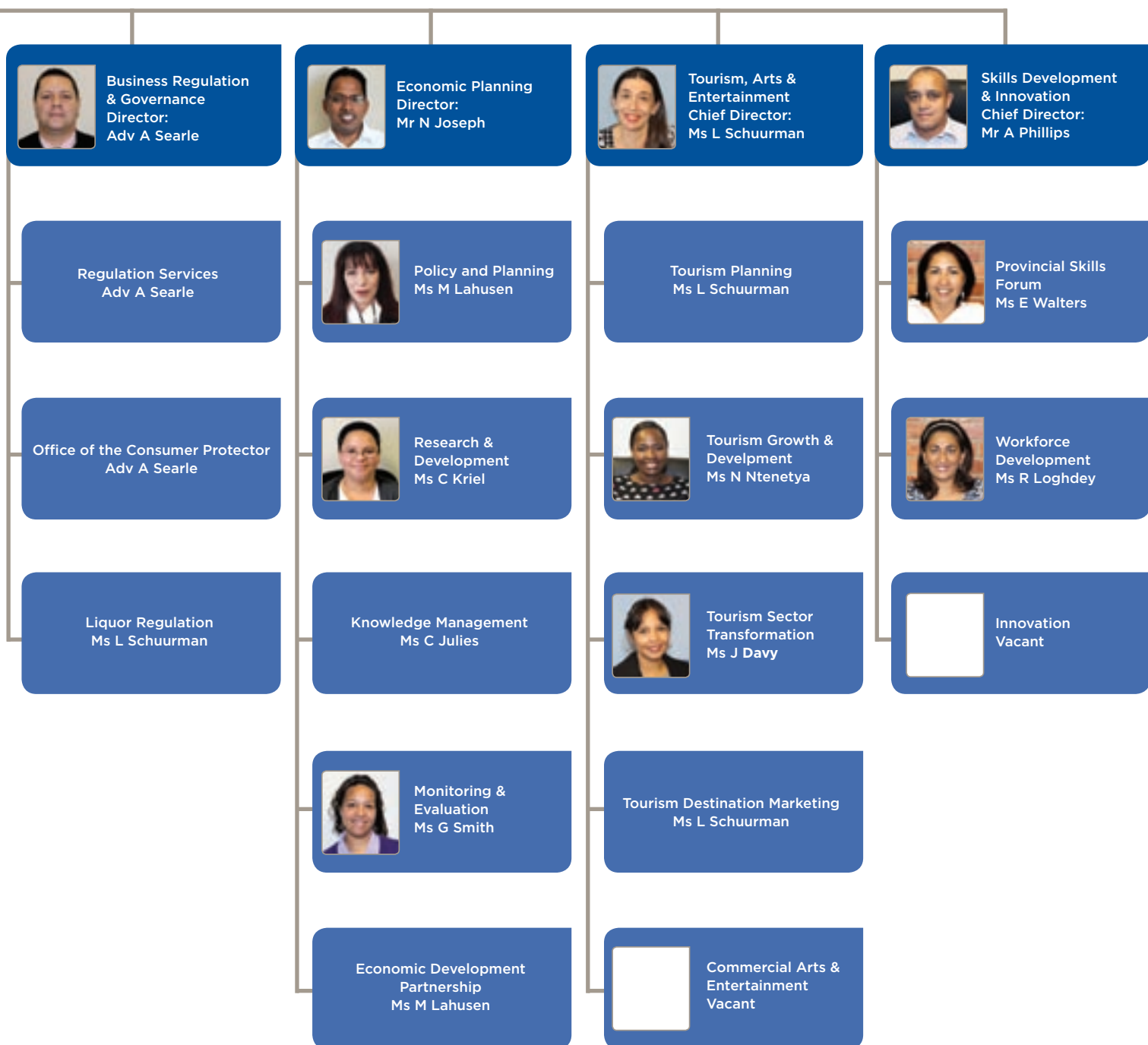
The Act amended the Tourism Act, 1993. Provisions in the Act include further training and registration of tourist guides, a code of conduct and ethics for tourist guides, procedures to lodging complaints and disciplinary measures.

Provincial Western Cape Tourism Act, 2004 (Act 1 of 2004)

The Act provides for the establishment of the Destination Marketing Organisation (DMO).

8. ORGANISATIONAL STRUCTURE





9. ENTITIES REPORTING TO THE MINISTER

Name of entity	Legislation	Nature of Business
Western Cape Investment and Trade Promotion Agency (Wesgro)	Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)	Wesgro is the official Destination Marketing, Investment and Trade Promotion Agency for the Western Cape, located in Cape Town.
Western Cape Liquor Authority	Western Cape Liquor Act, 2008 (Act 4 of 2008)	The Western Cape Liquor Authority regulates the retail sale and micro-manufacturing of liquor in the province. It will also facilitate transformation of the liquor industry in the Western Cape by promoting the entry of new licence holders and aims to ensure the responsible use of liquor.



**PART B:
PERFORMANCE INFORMATION**

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA performs certain 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, and no material findings were reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 200 of the Report of the Auditor General, published under Part E: Financial Information

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

In achieving the objectives of the Department, the journey was not without its challenges. During the year under review many local and national business confidence indices reported low levels of confidence among small business owners. In addition, the domestic economy did not grow at rates high enough to effectively tackle unemployment and poverty.

Following a contraction of 1.2% year-on-year in 2009, economic activity in the Western Cape has gradually recovered. During 2010, GDP growth was 2.6%, rising to 3.5% in 2011. For the calendar year 2012, the Western Cape grew at an estimated rate of 3% compared to the 2.5% real GDP growth rate of the national economy (BER, 2013). This outperformance of the WC economy compared to the national economy in 2012 is a direct result of the region not experiencing a similar impact of the sharp decline in mining output as experienced in the rest of the country. However, regional economic activity was adversely affected by the unrest in the agricultural sector, which erupted towards the end of the year.

The impact of weaker global economic growth and the loss of momentum in the recovery in the national consumer sector resulted in real economic growth in the region decelerating from 3.5% in 2011 to an estimated 3% in 2012. This will be in line with, but slightly less pronounced than, the slowdown registered by the national economy.

Once again, it is expected that the tertiary sector (in particular retail, financial services and general government services) will drive the provincial GDP growth in 2012. On the contrary, growth in the primary and secondary sectors is expected to be lower, counteracting the gains made by the tertiary sector.

The mining and manufacturing sectors suffered significantly during the recession, particularly the manufacturing sector, which contributes roughly 17% to GDP, recording significant job losses over all three periods under review. Sustained growth in the agriculture, forestry and fishing sector, construction, transport and communication, finance and business services, CSP services and – importantly – the general government in an attempt at (national) counter-cyclical fiscal policy ensured the continued expansion of the regional economy.

Western Cape Growth forecast for real GDP 2013 – 2017

The tertiary sector is once again expected to drive real economic growth in the region, with growth averaging 4% per annum (2013-17). However, the slowdown in the consumer sector will likely drive somewhat slower growth in the tertiary sector in 2013 compared to 2012, whereas the secondary sector recovery is projected to strengthen from 1.9% average growth in 2012 to 2.8% in 2013 and projected at 3.3% over the medium term (PERO 2013). The Western Cape is expected to reach its target set by PSO1 of 4.2% in 2017.

Western Cape economy sector formal employment

According to the Entrepreneurship Report (2013) of the South African Institute of Professional Accountants, another area that acted as a constraint to business growth was labour. The small pool of skills, the complex labour regulations and the low levels of productivity not only affected our global competitiveness, but also made it difficult for businesses to grow. However, while many entrepreneurs and experts agree that the climate presents some challenges, a strong sense of optimism about the Western Cape as a place to do business remains.

Some of the key elements that added to the dynamism and at times, turbulence, of the environment included:

- the increasing realisation by all spheres of government of the need to improve the regulatory environment. However, despite this realisation getting buy-in from stakeholders on especially operational levels proved to be challenging, but not insurmountable. Our projects aimed at creating awareness and the need to improve the regulatory environment proved critical in overcoming this challenge.
- the increasing push for entrepreneurship development and promotion as a means of generating economic growth and job creation. The consequence of this was that the Programme had to commence a strategy of allocating resources towards supporting this issue. Also, given the release of the Western Cape Global Entrepreneurship Monitor (GEM) report, significant attention will be paid in the 2014/15 financial year to entrepreneurship development and the key issues (e.g. education) underpinning this concept.
- local municipalities and districts increasingly realising the importance of local economic development (LED) as a tool for regional competitiveness. This has been very encouraging and a clear signal that our efforts in relentlessly promoting LED has started to bear fruit.

It should be noted that the industrial structure of formal employment is dominated by the service sector. In the Western Cape the tertiary sector comprises nearly 66% of formal employment, followed by the secondary sector (25.9%) and the primary sector (8%). Although not statistically significant, comparing the regional estimates to national estimates, we note that the secondary sector is slightly larger (23.2% national) while the primary sector is slightly smaller (10% national). Three of the largest employment industries form part of the tertiary sector: Community, Social and Personal (CSP) services (21.5%), financial and business services (19.1%) and wholesale and retail trade (19%). Comparing them to a national level, we note that the financial and business services sector and wholesale and retail trade are larger in the Western Cape in terms of employment, while the CSP sector is smaller in terms of employment. Manufacturing, which accounts for 17.7% of formal sector employment, is the fourth largest industry in the province and larger when compared to the rest of the country, where nationally it accounts for 14.9% of formal sector employment. The final major difference in the industrial structure of formal sector employment is in mining and quarrying, which is virtually non-existent in the province but accounts for 3.6% of formal employment nationally.

The geographical dispersion of economic activity in the Western Cape

The Western Cape economy is geographically concentrated. No less than 85% of real value added is generated in the Cape Metropolitan Area (CMA) and the adjacent Cape Winelands District. In the leading broad financial and business services sector the contribution of these two districts is above 88% (MERO 2013). The core of the Province's leading finance, insurance, real estate and business services sector, which contributes 32.4% to the GDP, is located in the Cape Metro. This sector accounts for 36% of the district economy; more than 80% of the province-wide financial and business services sector being located in the Metro. The sector is also important in all the non-metro districts, accounting for between 23% and 27% of district economic activity.

The Cape Winelands and Eden districts are home to 8% and 5.5% of the sector respectively (MERO 2013). The second largest sector in the Province with a contribution of 17.1% of the GDP is manufacturing. Manufacturing has a stronger relative presence in the Cape Winelands economy,

accounting for a quarter of economic activity in that district. In all the other districts manufacturing activity accounts for around 16% – 18% of real GDP. Only in the Central Karoo, the contribution is lower at 11%. However, from a geographical perspective, more than two thirds of the provincial manufacturing sector is located in the Metro (92% when combined with the Winelands and Eden districts) (MERO 2013).

Manufacturing activity is in relative decline in the Metro and also accounts for the bulk of employment losses as well. Manufacturing growth is under pressure in the Winelands where mature agro-processing firms tend to dominate the economic landscape. The Eden manufacturing sector reveals greater vibrancy; this is also true regarding light industry in the Overberg and Central Karoo. As mentioned earlier, the third largest sector in the Province with a contribution of 15.4% of the Western Cape GDP is retail, wholesale, catering and accommodation. The tourism industry plays a key role in stimulating the growth of the Eden informal trade sector, accounting for close to 18% of the district's economy. In all the other districts, retail, wholesale, catering and accommodation account for between 13% – 15% cent of real GDP.

The fourth largest sector in the Province with a contribution of 10.3% of the Western Cape GDP is the government. In relative terms, it is the smallest in the Cape Metro (accounting for less than 10% of the regional economy) and the largest in Eden (12.4%). From a geographical perspective, however, the concentration of activity in the Metro, Winelands and Eden still applies. The transport, storage and communication sector with its contribution of 10% of the Western Cape GDP is also well represented throughout all districts, albeit relatively larger in the Cape Metro and the Central Karoo. Communications explain the relatively larger size of this broad sector in the Metro, while transport and storage activity explain the relatively larger share in the Central Karoo. Two smaller sectors in the Province (each contributing around 4% of GDP), play a key role: agriculture, the backbone of most of the non-metro district economies, and construction with its pivotal role in fixed investment activity and the roll-out of infrastructure. Agriculture accounts for close to 15% of the West Coast's economic activity and more than 11% of the Cape Winelands' and the Overberg's economic activity. In absolute terms, the Winelands has the largest agriculture, forestry and fishing sector being home to more than a third of the province-wide agricultural sector. When the downstream linkages with the agro-processing sectors are added, it is clear that agri-business is a key economic activity across all the districts. Even the Metro is home to a large section of the industry (MERO 2013).

In the construction sector, the relatively larger roles in the Eden and Overberg districts are notable. These two districts have been the fastest growing districts in the province, which may reveal the link between infrastructure investment and real economic growth.

2.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services provided and standards

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 provisions 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 	a) 50% of consumer complaints resolved b) 50% of consumers indicating satisfaction with the level and standard of service provided by OCP	a) 55% of consumer complaints resolved b) 54% of consumers indicating satisfaction with the level and standard of service provided by OCP	a) 65% of consumer complaints were resolved b) A satisfaction rate of 59% was recorded
To provide for registration of tourist guides in the Province as per the Tourism Second Amendment Act	<ul style="list-style-type: none"> Tourist Guides Association of Tourist Guides Tourism Industry 	a) 1000 tourist guides registered b) 60% of Tourist Guides indicating satisfaction with the level and standard of service provided by the registration office	a) 1500 tourist guides registered b) 70% of Tourist Guides indicating satisfaction with the level and standard of service provided by the registration office	a) 1476 Tourist Guides Registered (The SDIP target of 1500 was reviewed to 1000 in line with the Annual Performance Plan) b) Percentage of Tourist Guides Registered was removed from the APP - this therefore was not measured

Batho Pele arrangements with beneficiaries

Current/actual arrangements	Desired arrangements	Actual achievements
<p>To act as a consumer protection agency within the Western Cape Province by virtue of the provisions of Provincial and National Legislation</p> <p>Consultation:</p> <p>a) Citizen Survey(s)</p> <p>b) Workshops</p> <p>c) Written correspondence</p> <p>d) Telephonically</p> <p>e) E-mails</p> <p>f) Community outreach initiatives</p> <p>g) Toll Free Call Centre</p> <p>h) Media engagements</p>	<p>Consultation:</p> <p>a) Citizen Survey(s)</p> <p>b) Workshops</p> <p>c) Written correspondence</p> <p>d) Telephonically</p> <p>e) E-mails</p> <p>f) Community outreach initiatives</p> <p>g) Toll Free Call Centre</p> <p>h) Media engagements</p>	<p>Consultation:</p> <p>a) Citizen Surveys were conducted during workshops. In addition an annual survey relating to consumer awareness percentages in the province and customer satisfaction rates was conducted.</p> <p>b) A total of 246 workshops were conducted with communities and other stakeholders across the province.</p> <p>c) All cases logged with the OCP were responded to in writing either via e-mail or post.</p> <p>d) Telephonic queries were attended to.</p> <p>e) All cases logged with the OCP were responded to in writing either via e-mail or post.</p> <p>f) Community outreach initiatives were conducted. This took the form of workshops/information sessions as well as participation in various community outreach programmes via the Thusong Service Centre project.</p> <p>g) Telephonic queries, received via the toll free call centre, were attended to.</p> <p>h) Various media engagements were conducted. This included sessions on a variety of community radio stations and main stream radio as well. In addition, responses to media queries on certain consumer matters were done.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Access:</p> <p>a) Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town</p> <p>b) District Offices:</p> <ul style="list-style-type: none"> • Saldanha, West Coast Business Development Centre, Building 234, Tonym Street • Paarl, Paarl Thusong Centre, Van der Stel Street, Chicago, Paarl East • George, Thembalethu Thusong Centre, Sandkraal Road <p>c) 0800 007 081 (toll free)</p> <p>Courtesy: Through official channels i.e.:</p> <p>a) Management b) Head: Communication c) E-mail d) Telephonically e) Written correspondence f) Face-to-face g) Complaints register h) 0800 007 081 (toll free)</p> <p>Openness and Transparency:</p> <p>a) Telephonically b) Written correspondence c) E-mail d) One-on-one meetings e) Roundtable consultations f) Annual Report g) Site Visits h) 0800 007 081 (toll free)</p> <p>Value for money:</p> <p>a) Provide support and advice to all consumers within the Western Cape Province b) Clients get useful and useable information at no cost c) Clients obtain free assistance with the resolution of disputes</p>	<p>Access:</p> <p>a) Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town</p> <p>b) District Offices:</p> <ul style="list-style-type: none"> • Saldanha, West Coast Business Development Centre, Building 234, Tonym Street • Paarl, Paarl Thusong Centre, Van der Stel Street, Chicago, Paarl East • George, Thembalethu Thusong Centre, Sandkraal Road <p>c) 0800 007 081 (toll free)</p> <p>Courtesy: Through official channels i.e.:</p> <p>a) Management b) Head: Communication c) E-mail d) Telephonically e) Written correspondence f) Face-to-face g) Complaints register h) 0800 007 081 (toll free)</p> <p>Openness and Transparency:</p> <p>a) Telephonically b) Written correspondence c) E-mail d) One-on-one meetings e) Roundtable consultations f) Annual Report g) Site Visits h) 0800 007 081 (toll free)</p> <p>Value for money:</p> <p>a) Provide support and advice to all consumers within the Western Cape Province b) Clients get useful and useable information at no cost c) Clients obtain free assistance with the resolution of disputes</p>	<p>Access:</p> <p>a) Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town</p> <p>b) The required access to services as envisaged was provided during the 2013/14 financial year. The only deviation occurred at the Saldanha regional office as the official unfortunately passed away at the end of October 2013.</p> <p>c) Telephonic queries, received via the toll free call centre, were attended to.</p> <p>Courtesy: Through official channels i.e.:</p> <p>a) Management b) Head: Communication c) E-mail d) Telephonically e) Written correspondence f) Face-to-face g) Complaints register h) 0800 007 081 (toll free)</p> <p>Additional achievement:</p> <p>i) All case queries and other queries received via the MEC or HOD's office were addressed in writing.</p> <p>Openness and Transparency:</p> <p>a) Telephonically b) Written correspondence c) E-mail d) One-on-one meetings e) Roundtable consultations f) Annual Report g) Site Visits h) 0800 007 081 (toll free)</p> <p>Value for money:</p> <p>a,b,c) A total of R4.1 million was recorded as a saving to consumers assisted by the OCP. This figure excludes the cost of legal fees should the consumer have approached an attorney for assistance.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>To provide for registration of tourist guides in the Province as per the Tourism Second Amendment Act</p> <p>Consultation:</p> <ul style="list-style-type: none"> a) Workshops b) Written correspondence c) Telephonically d) E-mails e) Tourism Regulation Newsletter <p>Access:</p> <ul style="list-style-type: none"> a) Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town <p>Courtesy:</p> <p>Through official channels i.e.:</p> <ul style="list-style-type: none"> a) Management b) Head: Communication c) E-mail d) Telephonically e) Written correspondence f) Face-to-face <p>Openness and Transparency:</p> <ul style="list-style-type: none"> a) Telephonically b) Written correspondence c) E-mail d) One-on-one meetings e) Annual Report <p>Value for money:</p> <ul style="list-style-type: none"> a) The cost of registration is R240, renewable every two years b) The registration cost is determined by the National Legislation 	<p>Consultation:</p> <ul style="list-style-type: none"> a) Workshops b) Written correspondence c) Telephonically d) E-mails e) Tourism Regulation Newsletter <p>Access:</p> <ul style="list-style-type: none"> a) Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town <p>Courtesy:</p> <p>Through official channels i.e.:</p> <ul style="list-style-type: none"> a) Management b) Head: Communication c) E-mail d) Telephonically e) Written correspondence f) Face-to-face <p>Openness and Transparency:</p> <ul style="list-style-type: none"> a) Telephonically b) Written correspondence c) E-mail d) One-on-one meetings e) Annual Report <p>Value for money:</p> <ul style="list-style-type: none"> a) The cost of registration is R240, renewable every two years b) The registration cost is determined by the National Legislation 	<p>Consultation:</p> <ul style="list-style-type: none"> a) 1 workshop was conducted (29 May 2013) b) Written correspondence c) Telephonically d) E-mails e) Tourism Regulation Newsletter: 1 newsletter issued and 1 update issued <p>Access:</p> <ul style="list-style-type: none"> a) Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town. <p>Courtesy:</p> <p>Through official channels i.e.:</p> <ul style="list-style-type: none"> a) Management b) Head: Communication c) E-mail d) Telephonically e) Written correspondence f) Face-to-face <p>Openness and Transparency:</p> <ul style="list-style-type: none"> a) Telephonically b) Written correspondence c) E-mail communication to all tourist guides d) One-on-one meetings e) Annual Report - submitted <p>Additional achievement:</p> <ul style="list-style-type: none"> f) Roundtable consultations with CTGA and the Union <p>Value for money:</p> <ul style="list-style-type: none"> a,b) The registration cost is determined by the National Legislation and remained at R240 for 2 years.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
<p>To act as a consumer protection agency within the Western Cape by virtue of the provisions of Provincial and National Legislation</p> <ul style="list-style-type: none"> a) Departmental website b) Annual Report c) One-on-one meetings d) Publications e) Media reports f) Information sessions g) Site visits h) Radio shows 	<ul style="list-style-type: none"> a) Departmental website b) Annual Report c) One-on-one meetings d) Publications e) Media reports f) Information sessions g) Site visits h) Radio shows 	<p>All of the identified interventions were implemented, i.e:</p> <ul style="list-style-type: none"> a) Departmental website b) Annual Report c) One-on-one meetings d) Publications e) Media reports f) Information sessions g) Site visits h) Radio shows
<p>To provide for registration of tourist guides in the Province as per the Tourism Second Amendment Act</p> <ul style="list-style-type: none"> a) Departmental website b) Annual Report c) One-on-one meetings d) Tourist Guide Newsletter e) Information sessions f) Brochure: Have You Asked Your Tourist Guide for Their Card and Badge? 	<ul style="list-style-type: none"> a) Departmental website b) Annual Report c) One-on-one meetings d) Tourist Guide Newsletter e) Information sessions f) Brochure: Have You Asked Your Tourist Guide for Their Card and Badge? 	<ul style="list-style-type: none"> a) Departmental website with link to Tourist Guide Register b) Annual Report c) One-on-one meetings with guides and representatives d) Tourist Guide Newsletter e) 4 Information sessions were held f) Brochure: Have You Asked Your Tourist Guide for Their Card and Badge? was reprinted and distributed

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>To act as a consumer protection agency within the Western Cape by virtue of the provisions of Provincial and National Legislation</p> <p>Through official channels i.e:</p> <ul style="list-style-type: none"> a) Head of Communication b) Management and Supervisory staff c) Face-to-face d) Verbal communication e) Written communication f) Electronic/ digital communication facilities 	<ul style="list-style-type: none"> a) Direct contact, e-mail, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town b) Via the Head of Communication regarding complaints/suggestions and compliments. c) Complaints register d) 0800 007 081 (toll free) 	<p>All the identified mechanisms were implemented, i.e:</p> <ul style="list-style-type: none"> a) Direct contact, e-mail, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town b) Via the Head of Communication regarding complaints/suggestions and compliments. c) Complaints register d) 0800 007 081 (toll free)
<p>To provide for registration of tourist guides in the Province as per the Tourism Second Amendment Act</p> <p>Through official channels i.e:</p> <ul style="list-style-type: none"> a) Management and Supervisory staff b) Face-to-face c) Verbal communication d) Written communication e) Electronic/ digital communication facilities 	<ul style="list-style-type: none"> a) Direct contact, e-mail, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town b) Via the Head of Communication regarding complaints/suggestions and compliments 	<ul style="list-style-type: none"> a) Direct contact, e-mail, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town b) Via the Head of Communication and via the Provincial Tourism Minister regarding complaints/suggestions and compliments

2.3 Organisational environment

The Department is to play a lead role in the application of the National Outcomes 4, 5 and 6 being decent employment through inclusive economic growth, skilled and capable workforce to support an inclusive growth path and building an efficient, competitive and responsive economic infrastructure network respectively. These National Outcomes were consequently translated into Provincial Strategic Objective 1 and the subsequent Strategic Directive document approved in November 2011.

Given the broad, overarching nature of the aforementioned strategies, it became apparent that the current organisational structure did not align to the Department's strategic imperatives. A key challenge faced by the Department was obtaining the right fit of staff competencies to purpose. An example of this was exposed within Programme 2: Integrated Economic Development Services (IEDS), specifically the Enterprise Development unit which operated for most of the year without an appointed director. The extended time to fill the post was due to inadequately qualified and experienced persons applying for the post. However, despite this gap, the unit managed to operate smoothly, achieved its set targets and delivered the services it set out in the Annual Performance Plan. One of the deputy directors served as acting director until the new director commenced duty at the beginning of December 2013. Barring this challenge, the internal environment within Programme 2 regarding resources, personnel and operations was quite conducive to the Programme achieving its set aims and objectives.

2.4 Key policy developments and legislative changes

The **BBBEE Amendment Act**, (No 46 of 2013), introduces a number of changes, of which the following is deemed to be the most significant:

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

The amendments to the BBBEE Codes of Good Practice will come into effect on 01 April 2015. SMMEs will require new BBBEE certificates aligned to the Amended BBBEE Codes of Good Practice. BBBEE certificates, being a compliance requirement for SMMEs to access public procurement opportunities will affect our supply chain process.

The **Cooperatives Amendment Act**, (No 6 of 2013), makes provision for, inter alia, the following:

- Compliance requirements for cooperatives.
- The establishment of a cooperatives tribunal.
- The establishment of a cooperatives development agency.
- Legislation of provincial government responsibilities in terms of cooperative development.

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 act also requires the provincial department to establish (i) a municipal co-ordinating committee and (ii) an inter-departmental co-ordinating committee for cooperatives.

The **Membership of the Western Cape Economic Development Partnership Act** was passed by Provincial Cabinet in December 2013.

The purpose of the Bill is to provide enabling legislation to regulate the relationship between the Western Cape Government and the EDP. The Bill 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 Bill proposes conditions relating to the Western Cape Government's membership of the EDP and funding of the EDP through transfer payments. The Bill does not regulate the governance and operations of the EDP as these are regulated by company laws.

3. STRATEGIC OUTCOME ORIENTED GOALS

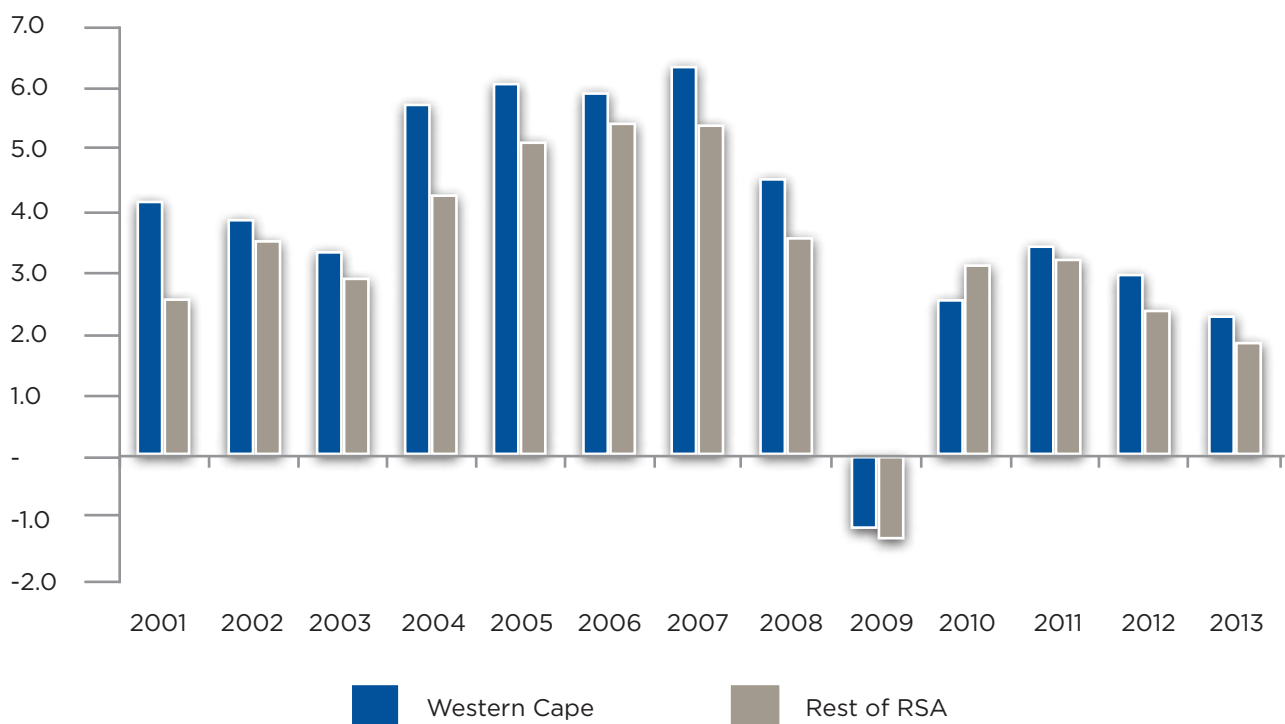
Provincial Strategic Objective One has as its goal creating opportunities for growth, and jobs. It also has the objective of creating a resilient and growing economy that is able to compete globally creating high rates of employment, growing incomes, achieving greater equality and an improved quality of life for Western Cape residents. To achieve this, efforts have been made to:

1. Grow the economy;
2. Reduce the level of unemployment;
3. Improve overall business confidence;
4. Increase infrastructure investment; and
5. Skills development.

Government's contribution to achieving the above objectives over the period 2009 to 2014 should be viewed in the context of global economic developments, which include: geo-economic shifts with the slowing of Western economies and the (re)emergence of Asia and to a lesser extent Africa and Latin America; the advancement of speed of digital technologies and its implications for competitiveness; and growth limitations as dictated by global environmental challenges and trends which pose a major risk for the future.

Achieving higher levels of economic growth for the Western Cape has proven rather challenging, given its interrelatedness to the global and the South African economies. The economic performance of the Western Cape relative to the South African economy over the period 2001 to 2013, as shown in figure 1, highlights the performance of the South African and Western Cape economies over the period 2001 to 2013. It shows that the growth rates that were achieved up to 2001 were significantly reduced over the period 2008 to 2013 and are directly attributed to the 2008 global financial crisis and its after effects. However, despite this subdued economic performance, the Western Cape was able to achieve an economic growth of just over 2.1% in 2013, which was higher than the national growth rate - an achievement, which by now has become institutional.

Figure1: National and Western Cape growth rates (2001 – 2013)

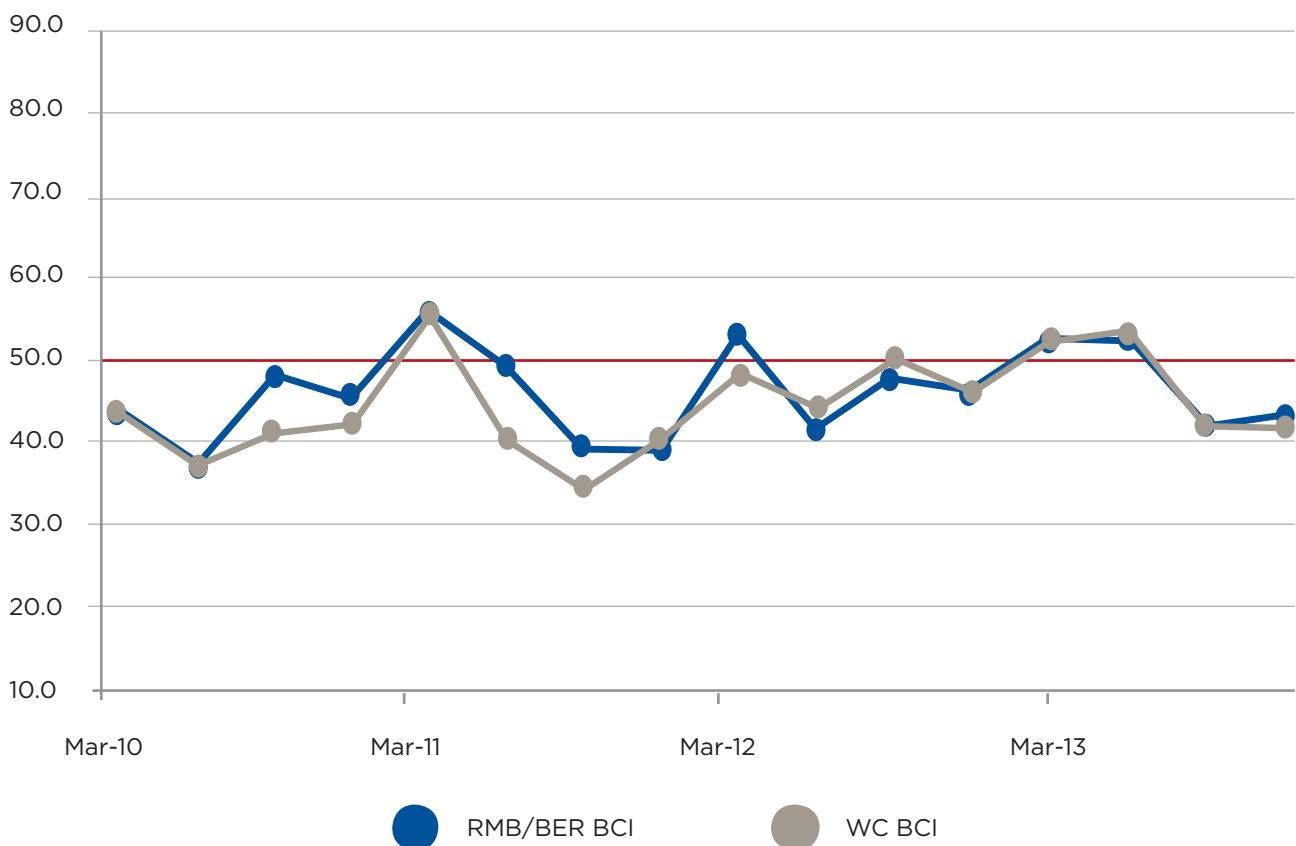


The performance of the labour market is central to addressing poverty and inequality in the Western Cape. Through improved labour market performance, it is argued that poverty and rising levels of inequality can be addressed. Labour market performance is enhanced amongst others through structural transformation and diversification of economic sectors and competitiveness; and through policies that remove constraints and create an environment that supports investment. The task of creating a sustainable economic environment, is however not an easy one, as it needs to focus on productivity growth and competitiveness rather than merely creating jobs.

One of the major challenges to the Western Cape economy is the rate at which the labour market is able to absorb new entrants. In this regard the Western Cape at a labour absorption rate of 54.1% in 2012 performed relatively better than most of the provinces and better than the national average. As it relates to employment the Western Cape was able to increase its employment by 133 000 between the fourth quarter of 2012 and the fourth quarter of 2013 (Statistics South Africa, 2014: viii). Over the period, from the first quarter 2013 to fourth quarter 2013 the unemployment rate declined from 23.3% to 21%.

The BER's Business Confidence Index (BCI) is generated quarterly as a measure of the level of business confidence within the Western Cape economy. It is a market-related index that reflects not what business is saying but rather a picture of business sentiments and expectations. The index can be used to inform policy decisions since it is based on the extent to which confidence contributes to efficient service delivery, the success of business, improve returns for investors, economic growth and poverty alleviation. The BCI is calculated from movements in 13 sub-indices, which include vehicle sales, real retail sales and building activity, exports, imports and inflation. An index below 50 is viewed as negative, while above 50 is positive. The trend graph below shows quarter on quarter changes in business confidence in the province.

Western Cape Business Confidence Index



Source: BER

The Western Cape Business Confidence Index declined and fell below 50 in 2013. However, it remained constant between the third and the fourth quarter at 42 index points. In terms of the current account, the Western Capes export growth reached 18.3% in 2012. While the Western Cape Provincial Treasury highlighted that the revised estimate for infrastructure investment for 2013/14 was R4.443 billion (Western Cape Provincial Treasury, 2014:98-101).¹

In terms of working opportunities facilitated, the Expanded Public Work Programme aimed to create 94 424 work opportunities over the year. Up to the end of third quarter (December 2013), 74 759 work opportunities have been created across the various sectors. When translating into full time equivalent, the number of work opportunities created amounts to 21 196. Once validated, fourth quarter work opportunities will need to be added in order to derive at the actual performance of the Expanded Public Works Programme for the 2013/14 financial year.

Furthermore, work opportunities were also created through skills projects within the Western Cape Government which 1) address the pipeline of skills development towards helping and supporting learners and the unemployed to prepare for the world of work, 2) provides technical skills, along with the work-readiness skills which will help them to apply for employment and be valuable and effective in the workplace. The placement in workplaces for experiential learning is an important component in improving employability and chances of employment. For the 2013/14 year, 4389 people were trained in the various sectors within the Department of Transport and Public Work, Agriculture and this department. This has resulted in 1368 people being placed in work opportunities towards improving their employability.

1. Western Cape Government Provincial Treasury. 2014. Budget Overview of Provincial Revenue and Expenditure 2014, 5 March 2014.

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

Strategic objectives for the year under review

- Maintain level 3 and strive for attainment of a level 4 financial management capability
- To ensure horizontal and vertical alignment of the Departmental Communication Strategy to adequately inform and empower the people of the Western Cape by providing access to and connectivity of departmental activities

Service delivery objectives and indicators

During the 2013/14 financial year, the Programme highlighted a number of key areas where improvements needed to be implemented to ensure the smooth transition of the Department from a level 3 to 4+ capacity organisation. Critical among the key issues were:

- i. Client support
- ii. Responsive legislative and policy framework
- iii. The capacitation of staff and
- iv. The development of a uniform consistent communication strategy

With the movement up the capability model framework rating ladder, as developed by the Auditor General of South Africa (AGSA), the role of financial management as a singular entity decreases with a greater focus being placed on organisational governance as a whole.



Currently, the Department is on a level 3+ organisation. Should we as an organisation wish to improve on our climb up the ladder, the buy-in and support of each and every member of the Department is required. This said, Administration's client support was a critical aspect that was noted as an area where substantial gains could be made in the short term. Some initiatives implemented or improved on during the year under review include:

- a) Reducing the payment turn-around-time to creditors to an average of 16 days. This initiative is extremely close to the heart for all within the administration unit as this is one measure which ensures the sustainability of especially small business service providers.
- b) In an effort to promote good corporate governance with the Public Sector, the Department has also initiated processes to align its risk management practices to the objectives set by the Department. This initiative has allowed for a more streamlined approach when reviewing and assessing risks and implementing the Departmental strategy.
- c) On a more operational note, the financial management unit implemented and or improved a number of systems which reduced the gap between line units and the normally cumbersome administrative processes managed by the Programme. In this regard, the task team modus operandi was instituted to streamline the interaction between line units and financial management. The Task Team is a system which is comprised of all the functional areas of Financial Management and is responsible for the reviewing of all finance related documentation required for either appointing or paying service providers. By instituting this system, the average time for any particular file to be "held up" in the Financial Management component was reduced from 12 working days to 3 days. This system also provided for the added benefit of assisting staff within the financial management component to familiarise and understand the work of the projects and programmes they are responsible for. A further benefit was the improved communication between financial management and line units as feedback sessions were arranged where questions could be asked and responses provided timeously.

The financial year under review saw the Department make tremendous strides in improving its strategic framework. During the year, as part of its planning process, the Department developed a Strategic Architecture Document for Sector and Themes (SADoc). The purpose of the SADoc was to articulate the strategies of each functional area by providing a snapshot of the current environment in which the Department operates, developing the problem and sub-problem statement, then developing the strategic objectives linked to the problem statement and finally the projects and programmes with possible indicators to address the problem statement. This approach to the planning process assisted greatly in, firstly, simplifying the planning process followed by the Department and, secondly, aligning the Department's interventions to the Provincial Strategic Object 1: Creating Opportunities for growth and Jobs as well as reducing duplication in drafting the APP inputs, Business Cases, and other planning documents.

During the year, the financial prescripts and policies were also reviewed to ensure alignment with newly instituted prescripts and legislation issued by the Provincial and or National Treasury. This review saw the consolidation of the Financial Manual – a single document which forms the basis for all financial management prescripts within the Department. The consolidation of policies into one document was only the first step in the process as the entire Department needed to ensure compliance to the above-mentioned prescripts and policies and espouse them in the everyday operations. To this end training programmes were rolled out to all staff where these policies and prescripts were explained.

At the end of the last audit process, it became apparent to the Department that if we wish to stay ahead of the game in terms of audit outcomes and governance principles much work still needs to be done. In this regard, the Department initiated an Audit Action Plan process whereby all audit results from all Departments were summarised and plans put in place to address these. It should be noted that plans were put in place even though the Department may not have received a finding on any particular area. A further initiative was to review the outcomes and project other possible areas that the AGSA may focus on in the near future given the trends of the past financial years.

The Department finalised its supply chain management strategy. The strategy was drafted with the inclusion of the departmental top management requirements over the next five years. As a Department we have agreed to implement 5 strategic procurement solutions to enhance the throughput within the supply chain management programme and this will allow us to leverage quality and savings from suppliers

In terms of our capacitation objective, the Department undertook a principled decision to assist various Non-Governmental Organisations (NGO) and charities with the donation of various obsolete assets that reached their economic lifecycle. These assets were invaluable to the NGO's who have limited resources and perform excellent community services. The following NGO's and charities accepted the disposed assets:

- False Bay FET College
- Grandmothers Against Poverty and Aids
- Jelly Beanz
- Methodist Church of SA
- Ubuntufirst
- Westbank Educare
- Western Cape Cerebral Palsy Association

Through various interactions with all role-players, the Department also managed to achieve a 98.51% spend for the 2013/14 financial year. Through the efforts of the Financial Management team a project list was drafted with various managers being reminded on a weekly basis as to the status of their spend projections. While various delays in the spend process was experienced during the first half of the financial year, this could be remedied during the latter six months. It should be noted that no deviation occurred from the governance principles adopted by the Department. A significant non-negotiable of this 'push for spend' was not to compromise delivery as is demonstrated by the Department achieving in excess of 80% of its planned targets.

Through its tireless communication efforts, financial management also managed to reduce its debtors balance from R219 000 at the start of the financial year to R112 000 at book closure. This had a significant impact on the revenue collected by the Department.

In terms of the Communications Unit, it served as the primary link between the Department and the Department of the Premier's Corporate Communications and Strategic Communication Sub-directorate. A key outcome was to ensure that the communication messages on the Department's offerings were aligned with the Western Cape Government's brand promise. Furthermore, the unit took the lead role in guiding the Department in the roll-out of the Western Cape Government's corporate identity.

The unit compiled a communications plan and managed all communications interventions, including mass media campaigns and publications. The unit also assisted all programmes with briefing to the communications agencies as well as co-ordinating procurement of communications services.

Outcome Indicator	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations	
Sub-programme: Financial Management						
1.1	Financial Capability Model Rating	3+	3+	3+	-	-
Sub-programme: Corporate Services						
1.2	Awareness Rating	70%	70%	70%	-	-

Performance indicators and targets

The table below reflects an example of reporting against specified targets:

Performance Indicator (Output)	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations	
Sub-programme: Financial Management						
Provincial Specific Indicators						
2.1	Internal Control assessment rating on Supply Chain Management	-	Unqualified Internal Control rating	Unqualified Internal Control rating	-	-
2.2	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report with no other matters	-	
2.3	Average number of days for the processing of payments to creditors	Payment to creditors within 30 days	Payment to creditors within 30 days	Payment to creditors within 16 days	14 Days	An improved payment time due to various improvements and efficiencies created in the payment process e.g. task team process and improved awareness among all Departmental staff.
2.4	Unqualified Audit Report: Part Three - Financial Statements	-	Presenting financial statement with no misstatements	Presenting financial statement with no misstatements	-	-
2.5	Number of internal control reports developed	-	8	12	4	The Department undertook a process to alleviate all financial risks during the year under review. As such the scope of Internal Control was expanded to investigate added areas of concern.

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
2.6	Cumulative expenditure as a percentage of the budget	99.6%	98%	98.51%	0.51%	
2.7	Percentage of departmental pre-determined objectives achieved	-	80%	83.22%	3.22%	
2.8	Percentage compliance to the implementation framework	70%	70%	70%	-	-
2.9	Number of financial efficiency interventions implemented	4	4	5	1	During the year under review there was a renewed focus to ensure the Department alleviated all financial risks. As a result, a greater number of efficiencies were put in place to ensure streamlined or improved service to the Department.
2.10	Number of financial manual training sessions conducted	-	12	20	8	Training formed a foundation block for the financial year. During the course of the year, the Department rolled out a comprehensive programme of financial management workshops aimed at capacitating the Department of all prescripts contained in its Financial Manual.
Sub-programme: Corporate Services						
Provincial Specific Indicators						
3.1	Number of departmental events coordinated and supported	34	20	28	8	The Communication Unit received a high number of requests for media events which required co-ordination. The number of events supported is an estimate and is dependent on requests from directorates. The Unit also received an unexpectedly high number of requests for photography at events.
3.2	Number of Annual Report copies produced in English	300	300	300	-	-

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
3.3	Number of official documents translated	50	20	53	33	There was an unexpected high number of parliamentary questions about the work of the Department which required translation. There was also an increased effort from units to produce communication material in all three official languages of the Western Cape. The number of translations is difficult to estimate as it is dependent on requests from units.
3.4	Number of Departmental Newsletters.	4	4	3	(1)	The quarterly newsletter contains mainly events held by the programmes in DEDAT which were attended and supported by communications staff. The first quarter was a very quiet period with only one event hosted. Therefore insufficient content was gathered for a newsletter and the decision was made to postpone the newsletter until the second quarter.
3.6	Maintenance of and update of the Cape Gateway Website.	21	12	27	15	Communications campaigns on radio and in newspapers necessitated website updates as citizens were referred to the departmental website for more in-depth information.

Linking performance with budgets

During the 2013/14 financial year, an amount of R33.249 million was appropriated to the Programme. Of this, compensation of employees accounted for R17.542 million, Goods and Services R12.846 million, Transfers and subsidies R21 000 and payments for capital expenditure R2.825 million.

It should however be noted that this Programme primarily services the remainder of the Department. In this regard, compensation of employees accounted for 52.76% of the programmatic expenditure.

Goods and services accounted for 38.64% of the total final expenditure of the Programme. The goods and services allocation was provided primarily to resource the corporate communication functions, which were centralised within the Programme. The goods and services allocation of R12.846 million was spent to resource communication strategies and campaigns to promote a sustainable, growing, labour-absorbing and competitive economy.

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

Payments for Capital Assets included an amount of R2.825 million, of which R1.150 million was allocated for the purchase of four new vehicles which will be utilised throughout the Department and a further R990 000 for the capitalisation of GG Vehicle leases.

Sub-programme expenditure

Sub-Programme Name	2013/14			2012/13		
	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	2 405	2 405	-	3 486	3 486	-
Financial Management	23 288	23 288	-	20 165	20 122	43
Corporate Services	7 556	7 556	-	1 602	1 602	-
Total	33 249	33 249	-	25 254	25 210	-

4.2 PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose

To promote and support an enabling 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 Reduction

Strategic objectives for the year under review

- To increase economic growth and opportunities through the stimulation and development of entrepreneurship and entrepreneurial activity.
- To improve business confidence in regions; the unit will support the creation of an enabling environment for business by improving the capacity of municipalities to deliver an enabling environment for local private sector and improve competitiveness in regions.
- To create and maintain an enabling regulatory environment through the reduction of red tape and other unnecessary burdensome bureaucratic processes and procedures.

Service delivery objectives and indicators

Although seemingly dissimilar, the components of Programme 2, Enterprise Development, Regional and Local Economic Development and Red Tape Reduction, all work toward the outcome of the creation and maintenance of an enabling environment for business.

In reflecting on the effectiveness of the programme regarding not only the achievement of its own outcomes, but importantly the linkage of these to provincial and national outcomes, the following can be seen as an appropriate context or background:

- In terms of the national outcomes, Outcome 4, “Decent employment through inclusive economic growth”, is most appropriate. The key items related to this outcome include: improving support to small businesses and co-operatives through non-financial and financial support; improving access and take-up of public procurement opportunities by small businesses; increased support for youth entrepreneurs and improving the local enabling environment for businesses to start and grow.
- In enhancing efforts to achieve these outcomes, the National Development Plan (NDP), firstly, recognises the employment potential of small businesses and then proposes the focus to be on the following: Reducing the cost of regulatory compliance; better co-ordination of small business support organisations and a firm commitment by the public sector to improve access to procurement opportunities for small businesses.
- In addition, the essence of Outcome 9, “A responsive and accountable, effective and efficient local government system”, is quite appropriate to the Programme’s sub-directorates, Regional & Local Economic Development and Red Tape Reduction. The key items of this outcome which are appropriate for the two sub-directorates include efficient and effective IDP processes systems improvement (e.g. planning and land use) and improved municipal capacity in terms of economic development.

- The OneCape2040 vision is a deliberate attempt to stimulate a transition towards a more inclusive and resilient economic future for the Western Cape. A key transition of this vision, applicable to the Programme, is the economic access transition, termed “Enterprising Cape”. This transition has as its goal that the Western Cape is recognised internationally as an entrepreneurial destination of choice.

The provincial strategic objective 1 (PSO 1), “Increasing opportunities for growth and jobs”, has as a fundamental approach that the role of the state is to create and maintain an enabling environment for business and to provide demand-led private sector-driven support for growth sectors, industries and businesses. In this context, selected themes are applicable to Programme 2. These are reducing red tape, increasing small business support and the increased emphasis on local economic and rural development.

Released late in the financial year, the provincial Youth Development Strategy has as a key driver, “Economic Opportunities”. One of the objectives within this driver is that every young person who has a good business idea is given the opportunity to develop that idea, preferably into a business. This component of the youth strategy clearly dovetails with the youth enterprise activities that the Programme has been championing over the past few years.

Below is an elucidation of the role that Programme 2 has played in making a significant contribution to both provincial (PSO 1 and OneCape2040) and national (NDP) outcomes.

Enterprise Development

One of the key elements in Government’s strategy for employment creation, growth and income generation is the promotion of entrepreneurship and small, medium and micro enterprises (SMMEs). Globally, SMMEs play a significant role in absorbing labour, accessing new markets and contributing to the growth and development of the economy. One of the key challenges for government is to determine the appropriate policy interventions to support both high-growth businesses (e.g. reduce regulatory burdens), small and micro businesses.

The development and implementation of the Enterprise Development unit’s programmes and projects are aligned to and in compliance with National Outcome 4 (Decent employment through inclusive economic growth) and PSO 1 and translated through:

Access to finance. Access to finance, particularly by small businesses has constantly been identified as a major inhibiting factor to the growth and development of SMMEs. The Department has continued its working relationship with the National Empowerment Fund (NEF). During the year under review, the Department allocated R6.6 million to the Western Cape DEDAT/NEF Enterprise Development Fund Initiative. The NEF has contributed a total of R6.75 million to this initiative. This initiative has assisted 37 businesses during this period. The Department facilitated discussions with the Small Enterprise Finance Agency (SOF) Ltd (Sefa) with regard to expanding the Sefa network in the Western Cape.

Cession of Payment. After extensive discussions with the Provincial Treasury and other provincial departments, the unit piloted the Cession of Payment initiative. Many SMMEs receive procurement opportunities but do not have the funding to deliver on the contract(s) awarded. Cession of payment as a method of finance was introduced to assist these SMMEs. Cession of payment occurs where the SMME cedes payment to a third party, which could be a bank or “discounting house”. During the pilot phase of this project, the Department has assisted eight SMMEs to access funding to the value of R11.266 million.

Provincial Growth Fund. The Department continued with the implementation of the Provincial Growth Fund, a cost-sharing initiative where the Department together with the beneficiary businesses provides funding to projects aimed at accelerating the development of the businesses involved. A total of six projects, supporting 22 individual businesses, were approved during this period. A recent survey of the performance of beneficiaries of the Provincial Growth Fund since its inception in 2010, indicated that over 90% of the businesses that responded have shown an increase in turnover, employment and/or asset value.

Procurement promotion. Improving access to and increasing uptake by small businesses of procurement opportunities remained a key item on the agenda of this sub-programme. Over 1 400 businesses were assisted through the Department’s Procurement Promotion Programme. This programme included initiatives such as the BBBEE Verification Programme, awareness initiatives around local content, the e-Skills capacity building programme, supplier open days, business expo’s and target group specific interventions such as the Disability Employment Summit and the National Women’s Day Conference.

Tender portal. The tender portal continued to be one of the critical access points for SMMEs to obtain information regarding procurement opportunities. A total of 285 503 visits were recorded to the site. This very informative portal not only provides one-stop access to provincial and local government procurement opportunities, but the visitor is also given information to sources of both financial and non-financial business support.

Speakers and guests at the Disability Employment Summit hosted by the IEDS Programme.





Ludwick Marishane, overall winner of the Premier's Entrepreneurship Recognition Awards, receives his awards from Minister Winde and Premier Zille.

Partner Network. The Department continued its support of the Partner Network (Seda, the Business Place and the West Coast Business Development Centre), which provides 20 access points across the province for SMMEs. Over 3 700 businesses (new and established) were supported through this network. The outcomes were: 612 new businesses established, 201 businesses expanded, 403 businesses sustained, 679 jobs facilitated and 3 147 sustained. The Partner Network has not only ensured that the Western Cape has the most extensive (linked) network of small business support organisations, but also heeded the call of the NDP to improve co-ordination among small business support organisations.

Entrepreneurship Awareness. As part of a pro-active drive to increase entrepreneurial levels in the Western Cape, the Programme undertook an ambitious entrepreneurship awareness programme which included the hosting of the inaugural Premier's Entrepreneurship Recognition Awards (PERA) and a media campaign (radio and newspaper awareness campaigns). The overall award winner, Ludwick Marishane of Headboy Industries, was recognised by Forbes in its 30 under 30: Africa's Best Young Entrepreneurs category. He was afforded an opportunity to attend the Global Entrepreneurial Congress 2014 in Moscow, Russia as part of the grand prize. The PERA has arguably set the benchmark for such entrepreneurship recognition programmes.

Support to Co-operatives. The Department was instrumental in bringing the International Cooperative Alliance AGM/Conference to Cape Town, a first for Africa. In excess of 1 500 international delegates representing 88 countries attended the conference. It is estimated that the hosting of this conference not only increased awareness of co-operatives as a business format, but also resulted in an inflow of about R49 million to the Western Cape economy. This is based on the guideline used by the CTICC for calculating value-add to the economy resulting from events such as conferences, meetings, and exhibitions.

Youth-oriented interventions. In contributing to the objective of giving every young person with a good business idea the opportunity to develop that idea, as contained in the Province’s Youth Development Strategy, the Programme undertook successful youth-oriented interventions. These included business idea pitching sessions done in partnership with all four major tertiary institutions (UCT, US, UWC and CPUT), the UCT Youth Entrepreneurship Conference, the Net Prophet Conference and the U-Start Pitching Session. The latter initiative yielded four entrepreneurs who were selected to attend an international pitching session in Italy during May 2014.

The business idea pitching sessions provided assistance to 240 aspiring entrepreneurs through nine “new business idea workshops” across the Cape Metropole, the Cape Winelands and the West Coast regions. Emanating from these idea workshops, the Department proceeded to provide a platform to over 150 entrepreneurs over ten pitch sessions to have their business ideas evaluated by a panel of experts. The workshops and pitching sessions were hosted at tertiary institutions as they have programmes and courses linked to innovation and innovative thinking. The business idea pitching sessions culminated in the Department providing seed funding to the value of R499 000 to 23 entrepreneurs to further develop their ideas and to accelerate the development of their businesses.

Regional & Local Economic Development

As previously discussed, well-functioning and capable local authorities are a necessary condition for the creation and maintenance of an enabling environment for business establishment and growth – and ultimately economic growth and jobs.

The Regional and Local Economic Development sub-programme intensified its efforts in assisting municipalities to not only realise the importance of creating a favourable environment for growth, but also providing this sphere of government access to the tools and strategies to exploit their competitive and comparative advantages.

To support an enabling environment that creates opportunities for growth and jobs in local areas, the RLED sub-programme’s delivery aimed not only to align with PSO 1, but also with the national outcomes of “decent employment through inclusive growth” (NO4), “support for vibrant, equitable and sustainable rural communities” (NO7) and “a responsive, accountable, effective and efficient local government system” (NO9). The sub-programme focused on strengthening local government to more competently and effectively deliver on its economic development and growth mandate, and on initiatives to improve regional coordination that is a necessary and key component to deliver on national, provincial and local government priorities. A capacitated local government is better able to provide an effective enabling environment for business to prosper and grow and so support sustainable employment prospects. For our rural areas this means that there is an opportunity for rural communities to benefit from a more vibrant local town economy. Improved regional coordination allows a whole-of-government approach coupled with strategic partnerships to be far more responsive in achieving national and provincial targets for growth and development.

In support of local government the sub-programme solidified its municipal support programme by linking its LED Assessment process (that measures municipal proficiency and advises on areas to be addressed to support credible economic planning and implementation) with tailored capacity building support programmes that respond to the national outcome geared at “a responsive, accountable, effective and efficient local government system” (NO9). The LED Maturity Tool allows the Department to benchmark municipal progress based on collaboration with municipalities and partner organisations such as SALGA, GIZ, DBSA, and others,

Over the past year the assessments identified need in the areas of LED performance management, leadership and governance. In the Overberg region these needs were addressed with training provided in partnership with SALGA around LED Leadership and governance aimed at enhancing local government’s understanding of LED practice and systems. Training was also provided in the area of performance management with an aim of the adoption of a LED Performance Management Framework by the pilot municipalities – Stellenbosch, Central Karoo District Municipality, Matzikama and Theewaterskloof.

In the West Coast (specifically in Cederberg, Matzikama, Bergriver and Saldanha Bay) the Department in partnership with the Red Tape Reduction unit undertook a local business climate survey to gather business and investment climate information to inform business process improvements for the region. The Department also provided access and application of Participatory Appraisal of Competitive Advantage (PACA) and Genesis (a methodology to identify strategic interventions like catalytic projects with a strong leverage factor) LED tools. PACA is a diagnostic tool that seeks out the competitive advantages and disadvantages of a locality or a sector and aims to develop concrete and practical proposals to stimulate the local or regional economy. It is a bottom-up and pragmatic approach to LED that aims to achieve more effective and sustainable LED dynamics in communities. The PACA process was implemented in Swartland, Bergrivier and Cederberg and Genesis with the West Coast District Municipality.

Similarly the Department, in collaboration with SALGA, provided access and application of the PACA tool to Cape Winelands and Eden Municipalities, with the purpose of identifying and assessing economic potential in the Witzenberg, Langeberg, Kannaland and Hessequa areas to better inform their LED strategies on how to mobilize and unlock economic potential and to get local stakeholders to work together, creating practical opportunities for cooperation. Twenty officials from the Eden region were also provided with access to Business Retention and Expansion training to better understand constraints and opportunities in the stimulation of local economic development in the area, and how to create employment opportunities by retaining and expanding existing businesses.

The sub-programme harnessed strategic partnerships and joint initiatives to foster improved regional coordination. These initiatives focused primarily on area-based government priorities where stimulation of economic activity is needed, inter-regional planning and implementation is demonstrated, and a whole-of-government approach is taken. In the Metro these include urban regeneration initiatives in locations like Philippi, Nyanga, and Atlantis.

The PACA process was implemented in various municipalities. PACA is a diagnostic tool that identifies the competitive advantages and disadvantages of a locality and develops concrete proposals to stimulate the local or regional economy.



In Philippi the Department supported the City in the development of an Area Development Framework for Philippi, with a primary focus on industrial and commercial development. In Nyanga the Department provided research support to underpin planning to create and stimulate an identified economic node within Nyanga, where existing activities are strengthened and new opportunities are supported. The research is to be utilised to inform an approach to support the development of an economic node. In Atlantis, the Department was pleased to bring to fruition one of the requests from local people and business for the development of a marketing plan for the locality that emerged from the Business Retention and Expansion exercise done the previous year by the Department. Strategic partnerships for these Metro interventions include the private sector, City of Cape Town, the VPUU, and others.

The Regional Growth Initiative undertaken in the West Coast was a pilot project aimed at thoroughly planning and coordinating economic support initiatives that over the long term starts to improve the competitiveness of the entire West Coast region. This initiative established areas of priority action for all stakeholders involved, including the Western Cape EDP, all three spheres of government (RDLA, COG, DoA, DEADP and local municipalities), local private sector, local civic organisations and support from the German GIZ organisation. It resulted in a West Coast EDP being established that endorsed a process to thoroughly investigate potential growth drivers for the region along with the identification of opportunities for collaboration and/or partnerships. The departmental project undertaken to support the larger growth initiative explored value-chain analysis related to the agro-processing sector in contributing to the inter-regional planning for growth. The Department will continue to support this process.

Finally, the sub-programme developed and utilised an LED Newsletter and the Provincial LED Forum as knowledge platforms for role-players to: access information on new developments and innovation; afford the opportunity for provincial and national government to inform municipalities of support on offer; and allow good practise to be shared with an intent on building capacity and knowledge of LED practitioners for improved service delivery.

Red Tape Reduction

It is globally recognised that the consideration of the regulatory environment is the single most important element of an economic growth strategy. In South Africa the improvement in the regulatory environment and the reduction of red tape is one of the common threads that run through the National Outcomes and the NDP. Provincially, the reduction of red tape is explicit in both the OneCape2040 strategy and Provincial Strategic Objective One (PSO1).

The Red Tape Reduction sub-programme continues to be the only unit in South Africa that has been established to pro-actively improve the regulatory environment. The unit is without precedent in Africa.

Pursuing its mission to raise awareness and deepen understanding of red tape and the benefits of its reduction, a considerable proportion of the sub-programme's activities in the year under review was focused on education and marketing of the services offered by the sub-programme. Three series of broadcasting of pre-recorded messages on radio were commissioned (in May to July; December and January to February respectively). Done in the three official languages and across a wide spectrum of radio stations (9 in total), the campaign reached several million listeners. Its effectiveness was demonstrated in the increased number of cases logged with the business helpline during the broadcast periods. In addition, presentations were made to high-level municipal representatives (mayors and municipal managers); awareness surveys were conducted across a diverse cross-section of business communities (Paarl, Cape Town CBD, Khayelitsha and Greyton); a dedicated Red Tape Reduction website was developed and launched by the third quarter and an animated video completed (for use in presentations and on the website).

The education and awareness initiatives of the sub-programme also found expression in the inaugural Red Tape Reduction Challenge, a competition aimed at two participant groups –directorates within WCG departments, which were required to submit entries relating to red tape reduction initiatives they had launched in the preceding three financial years (the "Directorate Challenge") and WCG employees, submitting their ideas on how to reduce red tape in their

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LET'S MAKE DOING BUSINESS IN THE WESTERN CAPE, BETTER TOGETHER

During the year, the Red Tape Reduction Unit conducted a number of education and awareness drives among Western Cape business owners.

specific work areas. The winners were acknowledged at an awards ceremony in April 2014. The competition raised considerable excitement, especially amongst WCG employees, and clearly resulted in generating discourse on red tape amongst the WCG employee corps.

The sub-programme's work on the long-term goal to see regulatory impact assessments institutionalised in the Western Cape continued unabated in the year under review. The guidelines and implementation framework were completed and presented on various platforms, ranging from the Red Tape Reduction Transversal Work Group to the Economic Sector Committee and Provincial Top Management. The completion of this preparatory phase of research and subsequent high-level buy-in has set the stage for pre-implementation engagements with municipalities and other government departments in 2014/15 and actual implementation thereafter.

The business helpline continued to prove its worth as a platform for business people to vent their frustrations regarding bureaucratic hurdles they experience and obtain much-needed information and assistance in removing those hurdles and, more particularly, when dealing with government of any sphere. The substantial year-on-year jump in cases logged either telephonically or by e-mail (from 752 in 2012/13 to 1 312 in 2013/14) is evidence of the growing demand for such a service, whilst the resolution rate (90.2%) points to the efficiency and effectiveness of the service, notwithstanding the occasionally dismissive attitude exhibited by staff of some of the respondent departments and municipalities. The sub-programme's resolution of some of the cases received through the helpline resulted in economic benefits running into millions of rands for the businesses concerned.

During 2013/14, three local municipalities in the Cape Winelands District Municipality were assisted with further business process improvement of services directly affecting business. This was part of the follow-up support on the 2012/13 project, which identified key red tape issues for business through extensive consultation. In addition, the local municipalities in the Eden District Municipality were assisted with a large-scale survey of local business red tape issues, as well as follow-up business process improvement on key processes within those municipalities.

In the latter part of 2013/14 the Red Tape Reduction Unit did research on international best practise with regard to municipal red tape reduction in OECD countries. This led to contact being made with the Netherlands, as innovation on municipal red tape reduction there had resulted in the development of unique methods for calculating the administrative burden of red tape on business. The Dutch government hosted a delegation from the Red Tape Reduction Unit to exchange ideas with their counterparts in the Dutch Department of Economic Development, as well as a number of municipalities. The delegates from the Red Tape Reduction Unit were also exposed to the concept of the Mark of Good Public Services, a prestigious distinction already acquired by more than 200 of the 400 municipalities in the Netherlands by mid-2013. The mark is awarded to a municipality that has demonstrated a certain level of efficiency in its business-facing services. It is said to have benefitted the municipalities concerned in terms of increased investment and inward migration of businesses. The Netherlands visit was followed up with a local feasibility study into adapting the method of the Mark of Good Public Service in the Western Cape. The findings were positive and the possibility of co-funding of the implementation of the concept was being pursued with the Dutch consulate at the time of writing.

Winners of the inaugural Red Tape Reduction Challenge. The competition is aimed at WCG employees and rewards staff for submitting bright ideas on how to reduce red tape in their specific work areas.



In conjunction with the Economic Development Partnership, a regional economic performance (or competitiveness) index was developed for the Western Cape. This index, which uses a reduced number of indicators (22) compared to the World Economic Forum's Global Competitiveness Report (114) will be used to monitor the Western Cape's economy in terms of three areas: competitiveness, inclusivity and resilience. Coupled with the World Bank's recent initiative to do regional ease of doing business measurements, rather than only a national measurement, based on conditions in Gauteng, this will vastly increase the level and accuracy of regional economic data and provide previously unavailable baselines for a range of interventions aimed at improving the regional economy.

The Red Tape Reduction Transversal Work Group, comprising representatives of the five WCG economic sector departments, SALGA, Business Western Cape, the City of Cape Town and, more recently, the rural municipalities, continued to meet on a quarterly basis in order to discuss and drive red tape-reducing initiatives across the provincial and local spheres of government. Local municipalities, initially not part of the make-up of the group, were invited to share good practices, in order for other municipalities to learn and improve their own initiatives to cut or reduce red tape.

The unit also undertook research in three key sectors where removal of bureaucratic hurdles had been identified as critical for unlocking economic potential in the Province: the abnormal loads industry, property development and exports. These research reports were distributed to the departments and state entities concerned, as well as the industry players in each sector, and by year-end engagements with these stakeholders were being planned with a view to reaching agreement on the implementation of the recommendations contained in the reports.

Outcome Indicator		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Enterprise Development						
1.1	Number of new businesses established	300	600	612	12	The high number of new businesses assisted in the Eden region by SEDA saw the target being exceeded.
1.2	Number of businesses expanded	-	200	201	1	A focus on intensive support to existing SMMEs saw the target being exceeded.
1.3	Number of businesses sustained	443	500	403	(97)	The shortfall is mainly due to some understaffed SEDA offices. This was due to the transition from Enterprise Centres to fully-fledged SEDA satellite offices, which will be remedied in the new financial year.
1.4	Number of jobs facilitated	-	500	679	179	The support to existing SMMEs increased due to new economic opportunities identified and investment sourced.
1.5	Number of jobs sustained	3 696	700	3 147	2 447	The SMMEs engaged had a significant average number of employees, especially given the focus on established businesses.

Outcome Indicator		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
1.6	Total Entrepreneurial Activity (TEA) rate	-	-	10.6%	-	-
Sub-programme: Regional & Local Economic Development						
2.1	Number of municipal areas with improved business confidence	-	-	-	-	-
Sub-programme: Economic Empowerment						
3.1	Number of businesses expanded	-	-	-	-	-
3.2	Number of jobs facilitated	1747	-	-	-	-
3.3	Value of funding leveraged	R4.38m	-	-	-	-
Sub-programme: Red Tape Reduction						
4.1	% resolution rate on cases	93.62%	85%	90.2%	5.2%	The resolution rate depends on, amongst others, factors that are not within the control of the unit, such as the complexity of cases logged and the response of some of the respondent departments, municipalities or regulators involved (higher complexity and poor/unco-operative responses resulting in a lower resolution rate). Conversely, an increase in knowledge and skills of the staff attending to cases would result in a higher resolution rate.
4.2	Number of municipalities with improved business services	-	5	5	-	-
4.3	Establishment of the Western Cape Regional Competitiveness Index	-	1	1	-	-

Performance indicators and targets

The table below reflects an example of reporting against specified targets.

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Enterprise Development						
Sector Specific Indicators						
1.1	Number of existing SMMEs supported	2 398	2 100	2 343	243	A successful media campaign contributed to an increased awareness of the availability of small business support.
1.2	Number of new SMMEs developed	2 846	1 350	1 385	35	A successful media campaign contributed to an increased awareness of the availability of small business support.
1.3	Number of existing cooperatives supported	14	10	14	4	The hosting of the International Co-operatives Alliance AGM increased awareness of support available to co-ops.
1.4	Number of new co-operatives developed	14	10	10	-	-
Provincial Specific Indicators						
1.5	Number of awareness interventions	2	45	45	-	-
Sub-programme: Regional & Local Economic Development						
Sector Specific Indicators						
1.1	Number of economic development projects supported at local and regional level	13	3	3	-	-
1.2	Number of capacity building interventions to municipalities	4	4	5	1	Through solid partnerships established with SALGA and local municipalities we were able to provide an additional capacity building initiative with SALGA.
1.3	Number of LED strategies aligned to PGDS and other spatial development plans	-	-	-	-	-

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Provincial Specific Indicators						
1.4	Number of LED assessments	30	30	30	-	-
1.5	Number of regional growth initiatives supported	-	1	1	-	-
Sub-programme: Economic Empowerment						
Sector Specific Indicators						
1.1	Number of target group specific opportunities identified	1 000	500	527	27	Municipalities responded well to requests to create greater awareness among local small businesses of public procurement opportunities.
1.2	Number of target group specific interventions.	23	15	17	2	This was as a result of increased demand for such interventions by stakeholders.
Sub-programme: Red Tape Reduction						
Provincial Specific Indicators						
1.1	Number of cases received through the call centre	752	750	1 312	562	The number of cases received depends on the demand by the business sector and its response to the marketing and awareness initiatives by the unit, and as such is beyond the direct control of the unit.
1.2	Number of municipal support interventions	-	14	18	4	It was the plan to do only one intervention per local municipality in the Eden District. When the opportunity presented itself to do two per municipality, without undue impact in terms of expense, inconvenience or time, this was exploited.
1.3	Number of advocacy and awareness interventions	12	12	14	2	Additional interventions were executed where the opportunity presented itself and could be exploited without any undue impact in terms of expense, inconvenience or time.

Strategy to overcome area of underperformance

The economic environment in which the Department operates is a dynamic one. It is therefore imperative of this Department to ensure that all targets set are market driven and demand led. This process of setting targets is therefore extremely complex given the fickle nature of economic conditions specifically around investment promotion, trade, jobs and business confidence.

As a first step to ensuring that the Programme does not under-perform on any of its performance indicators, the Department initiated a process whereby indicators can be better determined. The Department has initiated the drafting of a Strategic Architecture document for each sector and theme in which it operates. 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. This said, all indicators are then geared to remedying the actual challenges or market failures within the respective work areas. This process has also ensured that the Department can focus its attentions on indicators that measure the correct things that can and should be measured. Furthermore, the process also allows for the Department to budget for projects and programmes which will directly impact on the achievement of targets.

It should however be noted that a primary criterion for the setting of targets is past performance. By examining the past, the Department can, to a certain extent, gauge target setting given any amendments in budget allocation and concomitant changes in performance trends.

In terms of performance monitoring, 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 Departmental Top Management (DTM) meetings on a monthly basis where areas of uncertainty are debated and remedial actions where necessary are agreed upon.

Moreover, 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.

Linking performance with budgets

During the 2013/14 financial year, an amount of R50.007 million was appropriated to the Programme. Of this, compensation of employees accounted for R17.322 million, goods and services R12.861 million, transfers and subsidies R19.495 million, payments for capital expenditure R310 000 and payments to financial assets R19 000.

In this regard, compensation of employees accounted for 34.64% of the Programmatic expenditure.

Goods and services accounted for 25.72% of the total final expenditure of the Programme. The goods and services allocation of R3.732 million was provided primarily to increase awareness and development of entrepreneurial culture through the Premier's Entrepreneurship Recognition Awards, Innovate Western Cape amongst others. Part of the service delivery basket for Enterprise Development included provision of Entrepreneurship Learning Networks through the International Co-Operative Alliance Conference and improving access as well as increasing uptake by small businesses of procurement opportunities through the BBBEE Verification Programme. Awareness initiatives such as Supplier Open Days, the Disability Employment Summit and National Women's Day Conference also contributed towards the achievement of targets in key performance areas for the programme.

With regard to Regional & Local Economic Development, an allocation of R2.075 million was provided to support the creation of an enabling environment for business through the Municipal Capacity Support Programme, the Business Climate Survey and LED Assessments. Efforts to improve the competitiveness of regions through regional growth initiatives, which had an allocation of R164 000, was also implemented in the West Coast Region in 2013/14.

An allocation of R1.921 million was provided for the purpose of creating awareness within the area of Red Tape Reduction. Key interventions that were supported in this area included the Business Support Helpline, Regulatory Impact Assessment, Municipal Support Programme and Business Improvement Processes. The Provincial Red Tape Challenge, which was piloted in 2013/14 received an allocation of R382 000 and contributed significantly towards increasing awareness relating to the concept of Red Tape Reduction within the Western Cape Government.

Payments for transfers and subsidies were provided to develop platforms to increase the interaction between funders and businesses seeking funding through the Enterprise Development Fund (R6.600 million) and the Provincial Growth Fund (R5.500 million). Funds were also allocated for the development and growth of a partnership network which are supportive of small business establishment and organisations such as SEDA (R5 million), The Business Place (R550 000) and West Coast Business Development Centre (R550 000) were supported in the 2013/14 financial year. Funds were also allocated to provide seed funding linked to the Innovate Western Cape programme for innovation and innovative thinking (R600 000) as well as R435 000 towards the contribution of prize money for the winners of the inaugural Premier's Entrepreneurship Recognition Awards.

Sub-programme expenditure

Sub-Programme Name	2013/14			2012/13		
	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	31 828	31 828	-	26 283	26 281	2
Regional and Local Economic Development	7 988	7 988	-	13 328	13 315	13
Economic Empowerment	3 697	3 697	-	5 506	5 505	1
Red Tape Reduction	4 682	4 682	-	4 357	4 357	-
CD: Integrated Economic Development Service	1 812	1 812	-	1 848	1 848	-
Total	50 007	50 007	-	51 322	51 306	16

4.3 PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Purpose

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

Programme structure

The Programme is structured as follows:

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

Strategic objectives for the year under review

- The stimulation, facilitation and increase of economic growth and opportunities through export and investment promotion and a strong economic regional brand.
- To support and develop economic sectors as a key contributor towards the achievement of maximising economic opportunities, sustainability and growth.
- Grow and develop the provincial economy and facilitate economic opportunities through development of strategically competitive and/or infrastructural initiatives.

Service delivery objectives and indicators:

An intense focus at all levels of government on the need for growth and jobs, has put the spotlight on sectoral programmes as a key mechanism of the country to achieve its economic potential. This is reflected in the New Growth Strategy, the Industrial Policy Action Plan (IPAP), and through SO1. A sectoral approach provides the strategic framework for trade and investment, strategic initiatives, SMME development and for skills.

Building on the “choice of sector” analysis, the Department has continued its focus on building strategic capabilities in its “propulsive” growth sectors of Business Process Outsourcing (BPO), oil and gas, Information Communication Technology (ICT) and call-centres, and on the “employment supporting” sectors of clothing and textiles, agri- and food processing, and the creative and design sectors. The Green Economy as a “propulsive” sector has been elevated in line with its status as an SO1 priority, and the earlier declining support for the narrower tooling sector has been refocused on the broader metals and engineering sector, in order to take advantage of the major recapitalisation and procurement drives at a national level.

The performance in terms of targets met has been good, with 83.33% of the targets being met overall. The programme achieved a 100% success rate on its output targets, and a 62.50% success rate on its eight outcome targets. This slippage was due to Wesgro not achieving its employment targets, due to the higher capital intensity of the investments, although it exceeded its rand value of committed investment. The other target not achieved, was the number of firms expanded, due to the challenge of implementing a proper M&E survey tool in the CT Fashion Council and the WC Furniture Initiative. It is, however, a significant improvement on the previous year, where none of the SPVs had implemented the appropriate tools.

Notable successes on the outcome side, was a record R4.8 billion of trade and investment projects through GreenCape, the oil and gas and BPO sectors, the facilitation of 9 853 employment opportunities, support to 693 firms, and five strategic projects that were delivered. In addition, the investment of R33 million in its sector initiatives, led to the leveraging of an additional R28 million into critical sectoral projects that is probably unprecedented in provincial economic development departments, and is nearly double the APP target.

Notable in contributing to the achievements above was the facilitation of R2.4 billion in new manufacturing and energy investments in the green economy sector, as well as the dynamic performance of the BPO sector, with BPeSA facilitating 1 537 new call centre seats. This was followed up by BPeSA winning the European offshore destination of the year award, which will be invaluable in positioning the industry globally, and comes off the back of winning the UK offshore destination of the year award previously. South African Oil and Gas Alliance (SAOGA) created 8 206 employment opportunities, and attracted a record R2.089 billion in orders, with another exceptionally strong year of delivery, vindicating the marketing efforts of the organisation, and the growing recognition of the Cape as the oil and gas hub of Africa. This is backed up by the launch of the Saldanha IDZ, that will be focused on an oil and gas servicing and supply base. This has led to a commitment by TNPA to invest several billion into port upgrades and infrastructure to accommodate the expected growth in the oil and gas sector and a number of investors who have already signed MOU's with the IDZ licencing company.

To ensure that companies are ready to meet the demand, 693 firms were supported by interventions aimed at upgrading firms' capacities and improving their competitiveness. This is particularly important in turning around the manufacturing sector, and ensuring that firms can compete in local and global value chains. Surveys have already determined that 154 of these firms have expanded output and/or an increase in staff. This was slightly under the stretch target of 165, which is a result of an under-collection due to inexperience in monitoring and evaluation, and the lag-effect of interventions.

All in all, it is clear that the work of the Department, in conjunction with the Special Purpose Vehicles (SPVs), is changing the trajectories of many of the sectors in which they operate. This however is a synergistic effort between the SPVs, who deal with the day to day networking and delivery of projects amongst each sectors firms, the Department that deals with higher-level strategic issues and vertical and horizontal alignment across government, Wesgro that leads on trade and investment, and other units within the Department that provide theme-based inputs, such as skills, red tape reduction and SMME inputs. The clustering model outlined above is a powerful one, and is now being adopted as the central economic role accruing to provinces under a National Treasury task team on economic development, that released a technical paper on Clusters in July 2012.

Manufacturing

The manufacturing sectors have shown ongoing resilience over the 2013/14 period, retaining more than 17% of the Western Cape's GGP, and performing above expectation in most key deliverables, meeting and exceeding in a number of cases their Annual Performance Plan targets, and meeting the objectives of PSO1 through ensuring a conducive environment for job creation. The work of oil and gas in attracting trade and investment orders to the province have been particularly notable, with industry players referring to it as a "bumper" year. The upscaled metals and engineering sector interventions, through the WCTI have delivered beyond expectations, despite the reduction in funding, and have delivered on a broad front from skills, to benchmarking, to quality interventions and firm-level upgrading. The clothing and textile sector has clearly turned the corner, and has continued the steady performance of the previous year. This was the last year that the WCG has funded the furniture initiative, which, with a very much reduced capacity, is still performing well in selected areas.

Oil and Gas

The industry attracted a record 40 projects for this financial year, bringing in R2.089 billion in industry orders and creating 8 206 work opportunities. This figure excludes the smaller fabrication and maintenance work and services that local firms are providing, that add an estimated additional R1 billion to the local economy. In addition to this, nine information platforms were facilitated with 608 individuals attending information workshops, 90 businesses were assisted with exports and over R2.304 million was leveraged via 7 successful funding proposals. More than 200 students were placed within industry and will complete their trade test within the 18 month period. With the explosion of recent oil and gas discoveries around the East and West coast of Africa, at least 30 international companies have established regional offices in Cape Town over the past five years. A substantial improvement in the relationship between the industry and TNPA has been noted, with on-going improvements to the management of the Port of Cape Town inclusive of the maintenance of the port infrastructure and with TNPA financing a port handbook, facilitated by SAOGA.

SAOGA, in collaboration with the Department, has started a mapping and profiling project where 23 oil and gas companies have been identified which will ultimately lead to a gap analysis and a plan of action to address these challenges and improve their export readiness. In addition, a supplier directory is being formulated and will be used as a promotional and marketing platform. SAOGA is formulating an oil and gas skills framework that will guide training and skills development for the sector which will be published via a brochure. In addition they are in the process of developing specific career information in electronic and paper based format. Another project is focussing on enhanced access to higher level skills and working in collaboration with Project Maritime in order to create internationally (OPITO) recognised offshore survival training. All of the abovementioned skills projects will feed into the Oil and Gas Virtual Academy which will capture skills within the sector and thus be used as an information and marketing vehicle/platform.

Membership of SAOGA has grown to 190 companies, from across the value chain, and continues to attract interest from a number of new companies wanting to join. In addition SAOGA started its national roll-out to Durban and Johannesburg where well over 200 people attended. This will ultimately lead to SAOGA being represented in these provinces. This will pave the way for dti support in line with being a national priority, and has once again been included in the IPAP.

During the period under review, SAOGA, through the Port Cluster Leadership Team (PCLT), commissioned "The Development of the Oil and Gas Industry Report 2012-2020" which still informs the RFP for the quay extension and the floating dock and the supply hub for Saldanha port. The Minister recently declared Saldanha as an IDZ which has sparked both local as well as international interest. The newly completed Port Handbook will also serve as a marketing tool to inform current and potential investors and will be launched at the Offshore Technology Conference in Houston USA in May 2014. In the latter part of the year SAOGA commissioned a short promotional video, to facilitate relationships with current and potential investors and stakeholders. In addition to above, SAOGA has submitted an application to SARS with regard to the "Customs and Excise" challenge and is in the process of requesting a special rebate item for temporary imports that will greatly improve the attractiveness of the offering.

Clothing and Textiles

The three clothing-related sector bodies have exceeded their targets, training over 180 people during the year under review, assisting 387 businesses, and establishing three partnerships. More than R7.2 million was leveraged, which is more than that invested by DEDAT, and the bodies exceeded their target of R7 million.

It is clear that the work over the past decade has borne fruit, with clear evidence of a turnaround in the industry, and growth emerging across a number of key firms in the province. The introduction of the national incentive scheme (CTCIP) in 2010, which was facilitated through the efforts of the Cape Clothing and Textile Cluster, has led to an injection of more than R1 billion into the Western Cape economy over the past three years leading in part to the long-awaited turn-around. This has gone hand in hand with the restructuring of industry; showcasing an entirely new model of relationships between retailers and manufacturers. This has seen a great improvement in the lead times and quality provided by the local manufacturers, which has led directly to a significant increase in orders being "onshored" by the local retailers.

The close co-ordination of the three SPV's that represent distinct portions of the clothing value chain has seen the Cape Clothing and Textile Cluster (CCTC) leading the relationship with the retailers, the Cape Town Fashion Council (CTFC) making inroads in promoting the critical role of local fashion as a key differentiator across the industry, and CLOTEX uplifting the capacity of the CMT sector, to engage more systematically with the industry. On the policy side, all three SPVs are providing policy input to national government to address the big policy constraints. It is unlikely that there will be any movement on the labour flexibility issue, although it looks as if there may be a major breakthrough on the textile tariff issue, with the opportunity for a Direct Rebate Mechanism, which will reduce the tariff on textile inputs, and allow the apparel manufacturers to be more competitive.

Metals and Engineering

The Western Cape Tooling Initiative (WCTI) has performed exceptionally well. It trained 96 artisans, more than doubled its delivery of firms supported with pro-active interventions to 88 firms and leveraged R5 million in funding, largely into its artisan skills programme. In terms of broadening its mandate over the entire metals and engineering sector, the WCTI concluded a co-operation agreement amongst the various sector and industry bodies in the metals and engineering industry and the Western Cape Government, in order to align interventions, and ensure co-ordination in areas such as skills, productivity benchmarking and firm level upgrading.

A pilot project was conducted by the Department to profile and map the metals and engineering subsectors and to improve the capacity and capabilities of companies, in order to link them with local and international business opportunities. This will be a continuous process where the metals and engineering industry will collaborate closely with UNIDO and other industry stakeholders on interventions and opportunities from state-owned enterprises, government and investors, to identify projects for companies in the different subsectors of the industry.

The WCTI is also actively involved in the newly formed Western Cape Automotive Cluster and will participate in their strategic meetings as an industry stakeholder. The WCTI also facilitated the International Special Tooling Manufacturing Association World Conference which was held in Cape Town, sponsored 30 South African delegates to attend the conference and involved all the TDM students to attend the exhibition at the conference.

During the year networking and matchmaking processes have been well received, with a total attendance during the year of 322 people, six newsletters being produced and distributed on a bi-monthly basis and a "Directory of Companies and Organisations in the Western Cape" produced that lists over 100 companies. To date 38 companies and their details have been uploaded on the WCTI website, and a number of trade leads has already been facilitated.

The Quality Management System implementation process continued in five companies during the year, with these companies expected to achieve ISO certification during the 2014/15 year. The Profiling and Mapping process has continued with an additional 30 companies being profiled, bringing the total number of companies profiled up to 95.

The Skills Development Programme has consisted of the continuation of the TDM Powered Programme which includes modules in milling, turning, welding, CAD, CNC and machining for different levels (Foundation as well as level 1-3) of the training programme. Other training interventions involved the up-skilling of industry members through courses in business principles and the presentation of a course in quality management. The first tranche of the funding was received from the DBSA Jobs Fund and the 50 TDM students started their training at the MCD Training Centre. Another 53 students have started their TDM Programme training at Northlink as part of the NSF funded programme, and 41 of the original TDM students are still on the programme. A total of 196 people in the Western Cape have received, or are continuing to receive training during the year, through the Tooling Initiative structures.

Furniture

Despite the challenge of limited funding and resources, the Western Cape Furniture Initiative (WCFI) continued with the Skills Development and Cluster project for the National Economic Development Department and the annual furniture design competition. The provincial government funding came to an end in the 2013/14 financial year but the WCFI is in discussions with national government and regional industry stakeholders to establish a national furniture body.

The ECF Skills Project was implemented in 26 companies and focussed on business improvement, team effectiveness, compliance and supervisory training with 513 employees. Phase 1 of the project commenced during the year with 21 companies participating and 148 employees completing their training.

The Jigsaw SA Furniture Design Competition 2013/14 finalists exhibited their pieces at the Design Indaba 2014 from the 27th February to 5th March 2014 and the winners were announced on Friday 28th February 2014. The exhibition was a success and a powerful platform for young designers to interact with buyers, consumers, media and fellow professional designers.

Green Economy

The Department and GreenCape have continued to develop the Green Economy, in alignment with the WCG's Green Economy Strategic Framework of 2013.

GreenCape's success is a direct result of its strong "sector desk"/industry clustering operational model, supported by a strategic projects focus which was launched in 2013.

GreenCape assisted more than 80 companies directly over this reporting period (against a target of 60); met its target of leveraging more than R1.5 million in direct funding (through donor agencies such as the Swedish International Development Agency, and the British High Commission's Prosperity Fund); helped leverage R2.5 billion in new energy investments – against a target of R1.5 billion; and exceeded its target of submitting three funding proposals.

Over the reporting period GreenCape more than doubled its operational budget, and increased its staff from 7 to 25. All recent employees are highly skilled professionals (with post-graduate qualifications in engineering, science, or economics), who are making direct contributions to the strategic projects, covering areas as diverse as energy strategy; embedded generation (with a focus on smart grids and smart metering technologies); resource efficiency; water as an economic constraint; decision support development for the waste economy; and WISP (the Western Cape Industrial Symbiosis Project).

Key successes in this reporting period include the following:

- Launch of the R105 million SARETC (the South African Renewable Energy Training Centre) at CPUT; the initial group of trainee technicians has completed their training in Germany, and was deployed within their companies back in South Africa. Further training will take place at CPUT once SAQA approvals are obtained (imminent).
- Confirmation of the Atlantis Green Economy SEZ. GreenCape and the Department have played a leading role in bringing all stakeholders together, and securing dti funding for the feasibility study. We expect to remain intimately involved as the project develops.
- The recognition by WCG of GreenCape's pivotal role in project delivery under the Green Economy (with a level of funding approaching the Department's APP vote to GreenCape).
- Enthusiastic support for WISP from local companies – more than 1 000 potential synergies have been identified to date and at least two commercial contracts between companies are already in operation. This has resulted in further funding from the British High Commission to explore the potential to roll-out the WISP model as a national programme, involving development agencies in other provinces, supported by the National Centre for Cleaner Production.
- Identification of the real potential for biofuels production in the Western Cape, including the use of non-food crops within a conservation agriculture model, and the use of various bio-wastes. Two commercial projects are developing business cases to approach the Department of Energy for an operational licence. This is a considerable achievement given the initial reticence by DOE to entertain the Western Cape as a location for biofuels production.
- Effective engagement with local municipalities around a range of issues – including (but not limited to) unblocking of procurement obstacles related to energy from waste projects; smart grid opportunities as part of distributed generation/embedded generation structures; and understanding regulatory impact assessment risks.
- Effective engagement with key National Government departments and state-owned enterprises around energy planning and infrastructure provision; water availability for industry development (mainly focused on the West Coast region); the role of natural gas in our energy economy; and the continued support for the clustering model to support economic development.
- GreenCape has developed a robust methodology for the development of a regional resource flow model. For the first time, and data availability permitting, we have a means of understanding how our Province's economy is dictated by the flow of materials, energy, capital, and human resources through it. This is an exciting prospect in terms of our commitment to a Green Economy development pathway, and is strategically significant. We have piloted this methodology through a focus on the agricultural value chain. Results to date give us the first indications of economic productivity in terms of resource efficiency.

Services Industries

The Services Industries Directorate currently focuses on driving net employment growth as well as increasing output in the Business Process Services, ICT and Financial Services sectors. The growth of these sectors is dependent on the availability of skilled labour at competitive price points, as well as international awareness of the Western Cape's value proposition and offering of services. With respect to skills development, the directorate has focused on the development of programmes to effect systemic change to the regional skills environment in the relevant sectors. Promotion of the regional value proposition in the Business Process Services industry was also a major activity, with the Department supporting the industry association in marketing the region.

The unit is continuing to explore opportunities around financial services. This sector is a major contributor to the regional economy and the Western Cape has centres of excellence in the financial services industry, which is competitive globally. The Services Unit has been collaborating with the University of Cape Town to develop a deeper understanding of the sector. In partnership with the University of Cape Town and major industry players, the directorate is working to establish a financial services research institute to conduct research and provide skills development for the areas of risk management and general financial services.

The Services Unit continues to manage the DBSA Jobs Fund grant on behalf of the Department. The R112 million project aims to train over 2 000 people over three years across various disciplines including ICT, tooling and artisan skills and general entry level skills.

Business Process Outsourcing

The Western Cape BPO industry has continued on its path of high growth and increasing international recognition. The sector added 1 537 jobs over the period.

The Department facilitated three BPO investment or sales deals into the province through its partner BPeSA Western Cape. The arrival of these operations signals the growing prevalence of the Western Cape as a world-class BPO service location. The first investment was made in the Technology, IT support and telecommunication sectors, whilst the remaining two focussed on general customer service and support.

There is a growing focus on higher value, more complex BPO work such as legal process outsourcing and provision of shared services. A UK based legal firm recently announced its intention to establish a shared services office in Cape Town.

The Department plans to develop the opportunities linked to higher value BPO work in the 2014/15 financial year and began to engage with industry around this over the past year. Meetings were held with stakeholders (both government and private sector) to determine the capacity of the Western Cape to deliver higher value BPO work to international markets. In general, industry is positive that it can meet the growing international need for more complex work.

The Department funded a highly successful investor event at the end of 2013, attended by a host of international analysts, industry experts and investment decision makers. The event profiled the Western Cape's BPO value proposition and provided an opportunity for local stakeholders to gain insight into international perceptions of the region.

The Department and its partner BPeSA have also begun to address the challenge of skills shortages in the BPO sector. A national skills advisory board, The Skills Steering Committee, has been established and will provide input into the development of skills projects and interventions going forward. This advisory board will give expression to the needs of industry and will shape the development of projects and skills interventions.

On-going industry support and cost reduction activities were also undertaken, with the directorate facilitating access to the dti's national BPS incentive. Assistance was also provided on an ad-hoc basis to help local companies access SETA funding for learnerships and skills

development. The Services Unit also assisted Amazon in obtaining several hundred work permits for critical staff during the period, leading to further growth in the industry. After-hours transport remains an issue for industry, with the unit facilitating several meetings to scope the relevant issues. Work is still underway to implement a sustainable solution to after-hours transport needs, with the City of Cape Town being engaged in relation to the MyCiti bus routes.

Information Communication Technology

The Department has supported the regional ICT industry through various interventions over the year. The primary focus has been on skills and enterprise development via the CAPACITI 1000 programme which the Department funds, as well as other programmes and interventions.

The CAPACITI 1000 programme is delivered through the Department's partner, the Cape IT Initiative (CITI). The programme consists of five sub-programmes, each focussing on a different area of ICT skills. The sub-programmes are: Java certifications, IBM PHP certifications, IT Infrastructure and Applications Management, Business and Systems Analyst training and Software Development training. Over the period 112 people were successfully trained across these interventions.

The Department, through its involvement in these skills projects, aims to increase the size of the ICT skills pool as well as the quality of talent entering the market. This will lead to a more effective and productive ICT resource pool.

Research into software process improvement techniques, to facilitate improved software quality and reduced software development costs, has been on-going with UCT. A report on software development in the Western Cape has been produced and the findings will shape departmental interventions in this space going forward.

Development of ICT SMMEs and start-ups is a key component of the unit's activities, given the prominence of SMMEs in the Western Cape ICT eco-system (rather than large corporate players). The Department's partnership with the Bandwidth Barn saw 41 businesses and entrepreneurs move through its business mentoring and coaching programmes in the year. Of these, 20 have already indicated improved revenues or decreased costs as a result of the interventions.

Beyond the enterprise development activities in the Metro area, the Department has continued its support of the Garden Route ICT Incubator in the Eden District. The incubator continues to provide entrepreneurial support and assistance in ICT product development for nascent businesses in and around George. The incubator also procured a 3D printer during the year, and has started offering training to local schools and other interested individuals to make use of the machine. The facility intends to create more 3D printers from their existing machine, and will offer CAD training via local high schools.

The Department also initiated the African Incubation Partnership project, which aims to develop relationships between ICT incubators across the continent. The project will facilitate a 'business exchange' platform that SMMEs can use to access other markets in Africa. Nigeria and Ghana have been targeted as exchange locations so far, with East Africa being the next focus area.

Sector clustering activities were very successful in the period. Funding leveraged for the period was over R4.2 million with major corporate sponsors. In order to strengthen specialist forums within the ICT to improve industry cohesion and competitiveness, CITI has hosted numerous events for industry. The Department has also engaged with Wesgro and the Silicon Cape forum to build industry linkages and develop interventions. The task of promoting and harnessing value chain synergies within the identified verticals was addressed through on-going clustering activities and this has ensured that synergies in the industry can be recognised and harnessed.

Resource Beneficiation Industries

A strong performance was achieved by the resource-based sectors during the 2013/14 year. The target for intensive support to firms was exceeded with 177 companies being supported, more than 50 firms were expanded due to interventions and more than R30 million was leveraged into its projects. The 2013/14 year was spent focusing on strengthening the critical partnerships both up and downstream which will be an important driving force for the growth of the sector.

Among the efforts of the Resource Beneficiation Directorate to strategically develop these sub-sectors are the contributions of collaborating organisations such as the Agrifood Technology Station at the Cape University of Technology, which has instituted a number of programmes and projects geared towards increased competitiveness and growth of exports.

The Department along with its SPVs also focused on facilitating access of food processing SMEs to new markets. The strategy is focused on building relationships with, and securing access to, the supermarket corporates in the Western Cape.

Agro-processing

The Department implemented a number of programmes, in order to grow the industry and achieved all its targets of companies supported, businesses assisted, and the outcomes of firms expanding from the interventions made. Through promoting industry development in the Food-processing and the Natural Product industries which include Rooibos and Honeybush, the Department assisted a total of 145 companies through various programmes.

The Department continued to support agro-processing enterprises through upgrading, certification and standards in order to access world class manufacturing facilities and gain orders with local and international retailers.

Working jointly with the Cape University of Technology through the Agrifood Technology Station and in collaboration with the Department of Trade and Industry (dti), and the Technology Innovation Agency (TIA), a number of companies both in the formal and informal sector were taken through the Basic Hygiene and Food Safety programme. This programme enabled participants to be aware and incorporate food safety systems within their operations and business activities. Furthermore, companies were exposed to the Agrifood Technology Station. This is a state of the art facility that includes a pilot plant for bakeries, meat products, extrusion and milling, chocolate processing, as well as a number of laboratory services such as for R&D (for small-scale product development) research, and a physical food properties lab.

The Department also provided linkage support to access domestic and international markets. In joint cooperation with Wesgro and the Department of Trade and Industry, 41 companies took part in major international trade shows and exhibitions, namely the Gulf Food Trade Fair, the Private Label Manufacturers Association in Amsterdam and SIAL China.

Through capacity building and training, the Department worked in collaboration with the South African Honeybush Tea Association (SAHTA) and Agricultural Research Council to assist community co-operatives with training on production processing, quality standards for cultivation, and post-harvest technologies.

To support firms' access to incentive schemes from national, provincial and other funding agencies, the Department, in conjunction with the Western Cape Fine Food Initiative (WCFFI) facilitated a number of sessions with the dti to provide information about the funding applications process in order to access schemes such as the Manufacturing Competiveness Enhancement Programme, Sector Specific Assistance Scheme, Export Marketing and Investment Assistance and others.

The outcome of the support provided to companies resulted in 35 companies expanding their listings with local retailers and expanding. In addition, a total of R12.646 million was secured as funding leverage through collaborating with key stakeholders, such as the dti, the Agrifood

Technology Station, and the Agricultural Research Council. The Department also strengthened its relationship with the Centre for the Promotion of Imports from the Netherlands, which set aside a budget of €1 million for the development of the natural ingredients industry in South Africa for the next five years. This partnership will supplement the effort of the Department to develop the natural product sector which will incorporate the Rooibos and Honeybush initiatives.

Aquaculture

The Resource Beneficiation Directorate achieved all of its targets for aquaculture, and continued to play a key role in the development of major projects such as the Matzikama/Doringbaai Project. During the 2013/14 financial year fundamental milestones were realised in order to unlock significant economic opportunities in the Matzikama region. Substantial progress was made with regard to leveraging funding for the development and management of the Environmental Impact Assessment (EIA) process and a structured communication plan was devised in order to obtain the required land.

In addition, the following was achieved during the 2013/14 financial year as guided by the Annual Performance Plan:

- A total of 22 companies were proactively assisted during the 2013/14 financial year. Businesses were predominantly assisted via the innovative Aquaculture Upgrading Programme which focused on providing specialist technical services relating to animal health and food safety as well as the Comprehensive Agricultural Support Programme which focuses on providing financial grants to emerging black farmers. The Aquaculture Upgrade Programme is the first of its kind in South Africa and provided basic training to farmers with regard to herd health, disease control and biosecurity plans. This, coupled with other proactive interventions, contributed significantly to the expansion of at least ten companies in the aquaculture sector that are now in a better position to take advantage of market opportunities and to increase their employment figures. DEDAT has furthermore facilitated linkages with key retailers such as Woolworths that have expressed an interest in procuring locally farmed products and will assist in the development and growth of farms so that they are able to reliably supply products of a particular quality.
- The directorate developed four funding proposals which enabled it to attract an additional R18 million to the aquaculture sector as a whole. This funding is earmarked for projects geared towards further stimulating the development of the aquaculture sector with a particular focus on sustainable job creation. In collaboration with other partners, investment in aquaculture projects was facilitated in the Matzikama region. Additional investors have expressed their interests in the region and will invest in aquaculture farms as well as operations throughout the aquaculture value chain as soon as the regulatory and environmental issues Western Cape Aquaculture Development Initiative (WCADI) is addressing are finalised.
- DEDAT, together with its key partners, continue to identify and evaluate suitable sites for aquaculture. A ground-breaking achievement was realised during the 2013/14 financial year when DEDAT managed to establish a cooperative relationship with Transnet personnel in the Saldanha Bay region. After months of negotiating with these key stakeholders, Transnet has agreed to advertise additional water space in the Saldanha Bay region that could be used for aquaculture activities. This water space will be earmarked for local aquaculture farmers and will only be granted to qualifying black-owned businesses.

Investment Promotion

For the 2013/14 financial year, Wesgro exceeded its upper band target of investment attraction with R1.699 billion, meeting exactly the number of investments facilitated at 12, although the capital intensity of this investment led to its jobs target not being met. It facilitated 739 jobs against its target of 788. The investment outlook is, however, positive. Wesgro has a strong pipeline moving into the year ahead, exceeding its target by six, with 35 potential investments.

On the export development side, the agency exceeded its target number of businesses assisted with exports of 450 with 459 firms, and it has significantly exceeded its target number of projects and interventions developed with the SPVs and achieved 79 engagements. This is a reflection of the high level of co-ordination between Wesgro as the investment promotion agency and the SPVs.

The broader focus from the investment team has seen a number of its key sectors performing well in attracting investments. Of particular note were the investments in the energy sectors and the agro-processing sectors.

Strategic Initiatives

As recognition of the unique requirements of infrastructure as it pertains to economic development needs, the Department established, in 2009, a unit called Cape Catalyst, within the Strategic Initiatives Sub-Programme in order to drive infrastructure projects to fulfil its mandate of economic development. Over the last few years, the unit has initiated and developed a number of projects from which a number of important lessons have been learnt, shaping the functions of Cape Catalyst within the larger economic eco-system.

As noted in the 2013/14 Annual Performance Plan, in order to be responsive, Strategic Initiative projects need to accommodate the needs of stakeholders and the findings of the various feasibility studies and investigations. This means that the route to project realisation may not occur necessarily in the manner originally conceived and sometimes, not within the original planned timelines. This is to be expected given the complex nature of the projects where diverse entities' mandates and support are required to converge for project implementation and success. Within this context, the Strategic Initiatives Sub-Programme has delivered on its output indicators, supporting eight infrastructure-related projects, although in some respects, not in the manner originally conceived. The progress achieved for each of these projects over the 2013/14 financial year is as follows:

Broadband Initiative: The Western Cape Government (WCG) intends to ensure that a robust regional connectivity backbone for the Province is developed over the coming years. Through this, the WCG is committed to reducing the cost of communication, increasing our broadband penetration and reducing the digital divide in both urban and rural contexts.

Initiated in 2011, the Broadband Initiative has evolved over the years into what has now culminated into a three-stream implementation approach, jointly lead by the Department of the Premier (Cel) and DEDAT. The three-stream approach is as follows:

- Stream 1: deals with the provision of broadband infrastructure using the aggregated demand of government as a lever, and is co-ordinated by the Department of the Premier: Centre for e-Innovation (Cel).
- Stream 2: will provide province-wide support for citizens and businesses to have the necessary skills and access to broadband and will drive demand-stimulation. This Economic/ Value Added Stream is driven by DEDAT and is primarily geared towards outwardly focused programmatic initiatives.
- Stream 3: revolves around the application of ICT tools to improve government operations and services and falls within the responsibility of the Centre for e-Innovation or the Line-Function Department as is necessary.

The Department provided support to Stream 1 as the programmes within Stream Two are heavily dependent on the realisation of government infrastructure, as well as making progress within Stream Two themes, which comprises Connected Leadership, Connected Communities, Connected Business, and Connected Households & Municipalities and Cost Effective Computing (previously Low-Cost Computing).

Furthermore, the Wireless Mesh projects in Khayelitsha and Mitchell's Plain as well as Saldanha Municipality have been driven by the respective municipalities and they have developed their own milestones and timelines with respect to the implementation and rollout of the wireless mesh projects. Support from WCG, particularly with respect to the Saldanha Bay Wireless Mesh was provided, consisting of both financial and technical support.

The Department has initiated a range of Stream 2 projects, some of which will serve as proof-of-concepts that will be rolled-out by the PPP massification model:

- a. The Network Readiness Index will provide a benchmark against which the province is able to track the impact that the provincial broadband has on citizens and business. The service provider, that is collaborating with two Western Cape universities, was commissioned and the project was initiated.
- b. Integrated Community Access Network (ICAN). Drawing on the lessons learnt from Smart Cape, Cape Access and the Thusong Centres, the ICAN will provide a physical facility in communities and, over and above the provision of internet access, will offer a range of options to citizens including a place to study, broadband-enabled training opportunities and gaming. In 2013/14, the Department entered into partnerships with the City of Cape Town and UWC which will see the pilot project located in Elsies River.
- c. Wifi Hotspots aim to provide a public access ICT offering to citizens across the province. This initiative saw the Department entering into a partnership with three not-for-profit organisations to test and develop models in Atlantis, Robertson, Delft and the Garden Route.
- d. An e-skills intelligence platform will provide citizens and businesses with access to skills development information and programmes. The 2013/14 year saw collaboration between the Department's Provincial Skills Forum and the Broadband team and the commissioning of the development of the internet-based platform to co-ordinate the skills eco-system and stimulate skills content development.
- e. The Big Data project is about the provision of infrastructure support and stimulation for data-intensive businesses. In 2013/14, the Department entered into a formal collaboration with SKA, to draw on both their needs and their expertise, with respect to this project.
- f. The Design Technology Centre is specifically aimed at increasing the usage of design and innovation as a competitive tool through ICT. The Cape Craft and Design Institute has been tasked to house the centre and the CCDI's facility will be launched in 2014/15.
- g. The Khayelitsha Bandwidth Barn seeks to stimulate community-based development of ICT solutions and entrepreneurship. The City of Cape Town has made the Lookout Hill site available for the location of the facility and CITI's Bandwidth Barn has been tasked to roll out their highly successful incubation model. The launch date has however been delayed because the Commission of Inquiry into Khayelitsha policing is currently occupying the Lookout Site.
- h. The Department has continued with a re-worked PPP process, following the extraction of the infrastructure component. This has meant a delay in the completion of the PPP feasibility study, which is now anticipated to be finalised in the second quarter of the 2014/15 financial year. The PPP will provide the basis for the mass roll-out of the Connected Households Initiative (a municipal-based model for last-mile broadband deployment); Connected Business initiative (an incentive model for targeted, data-intensive industries); Connected Communities Initiative (an entrepreneurship-based model for Integrated Community Access Centres) and Cost Effective Computing (the provision of devices for mass deployment).



Minister Alan Winde and officials of the Department of Economic Development and Tourism with members of the three successful NPOs that received grants to provide public internet access through Wifi hotspots. Many of the hotspots will connect schools in the selected areas.

The Department has secured additional capacity in the form of the outsourced Broadband Programme Office to assist in the implementation of the Stream 2 initiatives which will enable to Department to activate and achieve the scale and impact required for the Western Cape Broadband Initiative.

Saldanha Industrial Development Zone. After a longer-than-expected delay, the IDZ received its designation from the National Government as an Industrial Development Zone in 2013/14 and the launch thereof took place in October 2013. Following a funding application to the dti, post designation status, the IDZ was allocated R442.634 million from the dti's IDZ Fund, to be paid over a period of three years.

Furthermore, community partnerships that were formalised through an official charter and signed by representatives from each ward, were maintained. Ten Community Skills and Training Committee meetings were held over the financial year, with this forum comprising of an IDZ representative and two representatives from each of the 13 wards in the Saldanha Bay Municipality. A partnership was also entered into with the Department of Labour to develop a Saldanha Bay-orientated skills database to ensure targeted skills development and the maximisation of recruitment of Saldanha-based skills as and when job opportunities arise. To this end, a two-month pilot registration programme was implemented over the financial year, resulting in the details of 16 000 persons being captured on the Department of Labour's ESSA database.

The IDZ also formalised the SBIDZ Business Forum, which is aimed at providing support to local businesses. The formalisation process included an agreement that there will be an open membership for local business organisations and the drafting of a charter. Furthermore, the dti, together with the United Nations Development Programme, signed a Memorandum of Agreement in order to develop a Supplier Development Programme for the Oil and Gas Industry in the Saldanha IDZ.

The Fringe. During 2013/14, the Western Cape Design Strategy was endorsed by the WCG Executive Economic Cluster Sector Committee which comprises relevant Ministers and Heads of Departments; the City of Cape Town Executive Management and CHEC. Furthermore, the strategy has become the model that will be followed by DAC, the dti and SABS for the development of a National Strategic Framework for design.

In alignment with the Strategy, CCDI has developed its business and product development offerings to a broader base of designers to ensure that designers are supported after the World Design Capital year ends, and that they are able to harness the opportunities made available to them within the year. World Design Capital has successfully been launched and located in the Precinct. The Design Strategy project as driven by CCDI has supported this initiative significantly under the 'promotions' pillar of the strategy by facilitating access for designers to this initiative through local events like Design Indaba and the Open Design Festival.

Finally, the business case for the Design Park has been completed and the initial implementation is to be located in a building off Barrack Street in the Eastern Precinct of the CBD. The Eastern Precinct has increased tenanting and has successfully established relationships with the District Six Museum. The East City Design Collective each run design projects with the District Six Museum and its members; and has initiated 'place-making' forums for resident business and residents. This has led to over six new murals in the area; Harrington Square being developed as a platform for design events and initiatives; improved security in the area and a project run by UCT's African Centre for Cities to assist the unemployed in the area with local businesses such as 'Trash-back'.

Air Access. The Air Access project seeks to increase and improve airline access into and out of Cape Town International Airport, with a specific focus on the establishment of new routes and increasing frequencies on existing routes to Africa. Working in partnership with the Airports Company of South Africa, four business case studies for Ghanaian, Nigerian, Kenyan and Angolan routes, were finalised. The results demonstrate that the Angolan route provides the most promise, potentially generating R392 million towards GDP per annum and 3 950 jobs by year six. Given the findings, the Department initiated discussions to increase frequencies with the Angolan Consul as well as with the Angolan Airline, TAAG, in the last quarter of the financial year.

Cape Town International Convention Centre Expansion. This project is aimed at extending the CTICC's capacity to accommodate additional and/or larger conventions, events and exhibitions in Cape Town, leading to increased business tourism into the region. During the financial year, the project experienced unforeseen delays, but the Department continued to provide co-ordination support when relevant and undertook the necessary preparation for the issuing of the share offer.

Port of Cape Town and Surrounds. With the project revolving around integrated planning for the spatial development in the Port Precinct of the City of Cape Town and following strengthened institutional collaboration between the Department, Transnet and the City of Cape Town through the Transnet-Western Cape Strategic Planning Forum, the Department funded and project managed a study which looks at the relocation options for the Royal Cape Yacht Club as well as a conceptual framework for the Cape town Gateway Precinct, which includes the Roggebaai Canal and the linkage to the Port. Other initiatives within the framework of the Strategic Planning Framework (which is jointly co-ordinated by Transport and DEDAT), include the Culemborg Development (Transnet), the linkage between Future Port Development and Paarden Eiland (City of Cape Town) and the Bellville Precinct (Transnet).

Cape Health Technology Park. The Park, which is to be located in the Pinelands area, intends to establish a cluster of health technology and related organisations and businesses to capitalise on Cape Town's comparative advantages in the field and to leverage off market opportunities in Africa. Following the completion of the Phase 1 feasibility study, the study and the Steering Committee's recommendations were tabled for approval by the Minister of Science and Technology and the MEC of Finance, Economic Development and Tourism. A briefing document was also prepared, particularly given the heavily scientific nature of the feasibility study. The next step was for the National Technology and Innovation Agency to take on the pre-implementation phase of the project, but TIA subsequently took a decision not to incubate the project. This resulted in the R3 million, earmarked as a transfer to TIA, not being spent. The Department, together with DST, is currently exploring alternatives for the project management requirements of the Cape Health Technology Hub.

SKA Headquarters. Subsequent to South Africa winning the bid to host SKA, the Department initiated discussions with SKA with respect to supporting manufacturing opportunities and developing a supportive value-chain to maximise the impact that SKA could have on the regional economy. Moreover, the possibility of the establishment of a physical cluster, with SKA being the anchor tenant (particularly in light of their need to expand their capacity), was explored. This led to the identification of a WCG-owned property in Pinelands. Based on the discussions, the Department used the Technical Assistance Unit of National Treasury to develop a business case, which will be used by DPTW to secure the identified site and land for SKA.

Western Cape Fishing Harbours. The Department focused on Doring Bay as the first fishing harbour for economic support in the Western Cape. The Matzikama project centres on the development and expansion of an abalone value-chain node around Doring Bay, with a supporting plastic manufacturing facility to provide baskets and piping for the aquaculture industry, and the upgrading of harbour infrastructure. Consultations, together with the municipality, were held with both national departments (NDPW, the dti and DAFF) as well as with provincial DEADP to secure the necessary funding and sites, as well as to ensure that the necessary EIA compliance is followed.

Outcome Indicator		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Trade and Investment Promotion						
1.1	Rand value of committed investment projects into the Western Cape	R1.659bn	R787m to R1.552bn	R1.699bn	R147m	The rand value that was committed by the investment promotion unit exceeds the upper band target of R1.552 billion by 10%. This is a reflection of the relatively higher levels of capital intensity in the investments.
1.2	Number of jobs facilitated	1 313	788 to 1 553	739	(49)	The under-performance is due to the greater than expected capital intensity of the investments.
Sub-programme: Sector Development						
2.1	Value of funding / support leveraged	R123.244m	R14.6m	R33.1m	R18.5m	Given the current economic climate there was an increased demand to apply for additional funding and to seek additional revenue streams. The resource-based SPVs particularly, leveraged major funding for key employment generating projects.
2.2	Value of trade and investment facilitated	R2.250bn	R2.2bn	R4.8bn	R2.6bn	SPVs embarked on a focussed and intensive marketing drive both locally and internationally to attract projects, with GreenCape and SAOGA being jointly responsible for the over-achievement. This is also a reflection of the buoyancy of both of these sectors.
2.3	Number of jobs facilitated	20 566	4 600	9 853	5 253	All three sectors exceeded their targets, with SAOGA particularly having a bumper year, due to the increased interest in the Cape as a repair and servicing hub for the African oil industry.
2.4	Number of businesses expanded	38	165	73	(92)	A change in CEO at Clotex, and inability to put the necessary M&E systems in place in time, contributed overall to the failure to produce the evidence regarding the businesses expanded.
Sub-programme: Strategic Initiatives						
3.1	Number of jobs facilitated/sustained	-	250	-	(250)	Due to the long lead time in capital-intensive infrastructure projects reaching the implementation phase, this target was not met.
3.2	Value of infrastructure investment	-	R80m	R204m	R124m	The dti provided full capex funding for the IDZ. Investment value reflects 1st year contribution.

Performance indicators and targets

The table below reflects an example of reporting against specified targets:

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Trade and Investment Promotion						
Sector Specific Indicators						
1.1	Number of Investment projects realised	6	12	12	-	
1.2	Number of businesses assisted with exports	645	450	459	9	Due to the overall poor performance of the internal economic indicators the demand from business to venture into exporting their products increased.
Provincial Specific Indicators						
1.3	Number of new investment projects in the pipeline	40	29	35	6	Investment promotion has exceeded the number of new projects recruited into the pipeline based on the team's active approach to targeting businesses either wanting to set up or relocate offices to the WC as well as actively targeting existing clients interested in expanding operations.
1.4	Number of strategic engagements with SDAs and Export Councils	28	14	79	65	Wesgro and the TSD Sector managers made a concerted effort to co-ordinate activities between Wesgro and the SPVs. This was boosted by common projects such as the Saldanha IDZ and Atlantis Green Manufacturing hub.
Sub-programme: Sector Development						
Sector Specific Indicators						
1.1	Number of people trained	416	100	208	108	Increased demand in training programmes have resulted in targets being exceeded, particularly on the tooling TDM-powered programme.
1.2	Number of businesses assisted with proactive interventions	445	465	685	220	There has been a concerted effort by all SPVs to include as many companies in the respective sectors to partake in planned interventions. The WC Fine Food Initiative particularly exceeded their targets by close to 100%.

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
1.3	Number of trade and investment projects realised	24	10	40	30	SAOGA has embarked on a focussed and intensive marketing drive both locally and internationally, and combined with an exceptionally buoyant environment within Africa, as well as the inclusion of a range of smaller projects down the value-chain led to the over-achievement.
1.4	Number of funding proposals submitted	-	30	30	-	
1.5	Number of strategic projects developed	-	5	5	-	
Sub-programme: Strategic Initiatives						
Sector Specific Indicators						
1.1	Number of people trained	-	-	-	-	
1.2	Number of infrastructure projects supported	7	8	8	-	

Strategy to overcome area of underperformance

The economic environment in which the Department operates is a dynamic one. It is therefore imperative of this Department to ensure that all targets set are market driven and demand led. This process of setting targets is therefore extremely complex given the fickle nature of economic conditions specifically around investment promotion, trade, jobs and business confidence.

As a first step to ensuring that the Programme does not under-perform on any of its performance indicators, the Department initiated a process whereby indicators can be better determined. The Department has initiated the drafting of a Strategic Architecture document for each sector and theme in which it operates. 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 remedying the actual challenges or market failures within the respective work areas. This process has also ensured that the Department can focus its attentions on indicators that measure the correct things that can and should be measured. Furthermore, the process also allows for the Department to budget for projects and programmes which will directly impact on the achievement of targets.

It should however be noted that a primary criterion for the setting of targets is past performance. By examining the past, the Department can, to a certain extent, gauge target setting given any amendments in budget allocation and concomitant changes in performance trends.

In terms of performance monitoring, 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.

Moreover, 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.

Linking performance with budgets

During the 2013/14 financial year, an amount of R129.828 million was appropriated to the Programme. Of this, compensation of employees accounted for R18.767 million, goods and services R21.042 million, transfers and subsidies R84.179 million and payments for capital expenditure R252 000.

In this regard, compensation of employees accounted for 15.10% of the programmatic expenditure.

Goods and services accounted for 16.94% of the total final expenditure of the Programme. The goods and services allocation was provided primarily for the implementation of infrastructure related projects that consist of, the Broadband Initiative, The Fringe, Air Access business cases, Port of Cape Town and surrounds, and Western Cape Fishing Harbours.

Transfers payments consist of 67.76% of the programmatic expenditure. Payments for transfers and subsidies were provided mainly for grant funding of the Sector Development Sub-Programme's 12 Sector Bodies. The Cape Catalyst Unit made transfer payments to Square Kilometre Array (R1.2 million), Saldanha Bay Municipality (R2.8 million), City of Cape Town (R2.35 million), University of the Western Cape (R550 000), and R6 million to three Non-Government Organisations for broadband initiative-related projects. Moreover, R4.32 million was transferred to Cape Craft and Design Institute to provide support to the Fringe project.

Sub-programme expenditure

Sub-Programme Name	2013/14			2012/13		
	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	21 481	21 481	-	18 500	18 500	-
Sector Development	46 405	46 405	-	45 083	44 803	280
Strategic Initiatives	60 363	54 775	5 588	37 571	36 871	700
Management: Trade and Sector Development	1 579	1 579	-	1 122	1 122	-
Total	129 828	124 240	5 588	102 276	101 296	980

4.4 PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Purpose

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

Programme structure

The Programme is structured as follows:

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

Strategic objectives for the year under review

- An effective provincial trading environment facilitated through the effective finalisation of business licence appeals within the prescribed period.
- A business environment that reflects high levels of consumer rights awareness by a majority of the Western Cape population and business community supported by effective complaints management and resolution mechanisms.
- A regulatory environment that reflects high levels of participation by the public, a maximising of the benefits of the liquor industry for the Province and its people and a minimising of liquor's negative effects through increased awareness, reduced availability of liquor and better law enforcement.

Service delivery objectives and indicators

It must be noted that the creation of an enabling business environment by way of addressing barriers to business development and growth is one of the core elements of PSO1. In terms of Provincial Strategic Objective 1 which is: "Creating Opportunities for Jobs and Growth" the reduction of so called red tape that hinders business development and growth in the province was considered to be one of the key areas that must be addressed. Barriers to business growth are an insidious threat to business and especially inhibit smaller enterprises of the sort that are so important to the Western Cape economy. One of the barriers to business development was identified as the inability to obtain a business licence from a municipality which allows the business to trade. Currently the existing law only obligates certain businesses e.g. bars, restaurant/pubs, entertainment facilities, to have a business licence before they can operate. In certain instances applications for a business licence are refused by a municipality and in terms of the current Businesses Act, 1993, the unsuccessful applicant has a right of appeal to the Provincial Minister responsible for Economic Development. The Department has a role to play in this process since a departmental recommendation on the merits of the appeal is submitted to the Provincial Minister for consideration.

In the year under review the Programme had the target of providing recommendations on two business licence appeals that were submitted to the Provincial Minister. In the year under review the Department only received one appeal from a business regarding an unsuccessful application. It must be noted that the number of appeals received by the Department is an area over which the Department has very little control especially since the decision to appeal or not is a decision made by the applicant. In addition, many applications are approved and thus the need for an appeal is eliminated. These factors have therefore also contributed towards the target as set by the Department.

In the matter that was considered the Department made a recommendation that the appeal be rejected due to the applicant not having complied with existing planning legislation. The appellant was advised to comply with the planning issues and then submit a new application.

Consumer Redress Services

The area of consumer protection is one which in terms of strategic objectives aligns very well 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 the rights of citizens. As such the Programme identifies closely with National Outcome 12 and Provincial Strategic Objective (PSO) 12. National Outcome 12 provides for the creation of an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship. PSO 12 is designed to ensure that the Western Cape Government becomes the best run regional government in the world. This specific PSO therefore seeks to lay the foundation for building an efficient, transparent, responsive and corruption free government that delivers cost-effective services to citizens. 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 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 matters. The aforementioned results are highly comparable with other provincial counterparts and demonstrate that the programme is achieving its objectives.

The financial year under review has seen the OCP continuing to work towards its objective of becoming a trusted consumer dispute resolution authority for consumers within the province. The OCP has therefore maintained its free dispute resolution service to members of the public within the province and this has seen large numbers of consumer complaints recorded at the office for inquiry. The Western Cape OCP continues to be one of the provincial authorities which receives, investigates and resolves the largest number of cases amongst the provinces. The large volume of cases logged can therefore be claimed to be a direct result of the confidence displayed amongst citizens in utilising the service offerings of the OCP.

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 during the 2013/14 financial year. This performance indicator relates to the financial saving that accrues to a consumer due to the OCP's inquiry and/or investigation into a disputed consumer complaint. The criteria used to determine the financial saving was one endorsed by the National Consumer Commission (NCC) and subsequently adopted by all provincial consumer protection authorities. In terms of this specific outcome indicator the intervention by the OCP in complaints lodged at its office has directly saved the affected consumers a total of just over R4.1 million. This amount is an overachievement of the target set and can be directly attributed to the number of complaints that were resolved by the OCP. The increase in case resolutions have naturally led to an increased opportunity to save more money for consumers.

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

As part of the OCP's strategy of measuring the effectiveness of its various interventions it was determined that a comprehensive survey on specific service delivery initiatives would need to be conducted. As such, an annual survey measuring the percentage of consumers indicating satisfaction with the level and standard of service provided by OCP was initiated. The results

of such an assessment would provide an indication if the OCP was indeed providing valuable assistance to citizens in the province. The survey results have yielded a positive result and reflect an over achievement of the target set. This achievement is notable especially in light of the fact that a consumer complaint will never always be in favour of the consumer as often no transgression of the law has been committed by a business. A consumer who has thus been unsuccessful with a complaint may thus not record their interaction with the OCP as satisfactory. As such, the achievement is a positive reflection of the work done by the OCP.

In addition, the OCP has received a large number of consumer complaints as a result of the public interest around the Consumer Protection Act. This directly led to pressure on the existing resources within the OCP to manage and resolve matters as speedily as possible. In addition to the case numbers, the limitations on the mandate of the OCP as provided for in the Consumer Protection Act (CPA) also make this achievement commendable. In terms of the CPA certain matters are exclusively within the domain and mandate of the National Consumer Commission and provincial authorities like the OCP only have a specific mandate. The satisfaction levels achieved must therefore be seen in this context and the achievement is more than satisfactory.

Consumer awareness levels

The comments made above with regard to the Programme's alignment with National Outcome 12 and Provincial Strategic Objective 12 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 excellent work with communities, business, NPOs/NGOs, faith-based organisations, government departments and other interested stakeholders.

The primary mandate of the Consumer Education Unit is 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 across the province. The results of these engagements have been positive especially since the output and outcome targets as set by the OCP have been achieved.

It will be noted that as part of the Department's monitoring and evaluation project to gauge the impact and success of the various initiatives conducted during the financial year under review a survey was conducted to measure the level of awareness amongst consumers in the province. The results have indicated that the various information and consumer education campaigns initiated across the province have been effective and very positive results were achieved. In this regard the survey results have demonstrated that a commendable awareness level regarding consumer protection has been recorded across the province. The various strategic partnerships that were forged over the past few years have now started to bear fruit, especially within the consumer awareness category.

One of the mechanisms that have contributed towards this increase in awareness levels is the various engagements with the print media and radio (especially community radio) sector. The vast majority of these engagements have been on the basis of both parties acknowledging the need to provide citizens with access to information which would strengthen their ability to protect themselves in transactions with business. The survey results have demonstrated the effectiveness of this and other awareness projects and as a result the OCP will continue to enhance and refine its 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 partnerships with strategic partners. The rationale was that an effective and strong working relationship with other key stakeholders would only serve to enhance the service offerings of the OCP. In addition, various strategic partners would be able to participate in consumer education campaigns hosted by the OCP and thereby enhance the focus areas 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 those with statutory bodies responsible for consumer protection as well as non-government organisations.

One of the most notable partnerships that has been re-established is the engagement between provincial consumer protection authorities and the National Consumer Commission (NCC). The NCC is the primary implementer of the Consumer Protection Act and as such it is vital that a strong, effective and responsive partnership and working relationship is sustained between provincial offices and the national structure. It is anticipated that this partnership will ensure that a more rigorous agenda with regard to the enforcement of the Consumer Protection Act will take place during the next financial year.

Liquor Regulation

The 2013/14 financial year saw the filling of vacant posts in the Western Cape Liquor Authority (WCLA) and allowed for the implementation of the legislation and predetermined targets in the APP.

The Department, together with the WCLA, is currently in the process of amending the Western Cape Liquor Act 4 of 2008 (as amended) to eliminate current inefficiencies experienced with the Act such as amending the limit of liquor in a person's possession and the alignment of the provisions of the Act with the delegations hierarchy of the South African Police Services. This will be concluded during the 2014/15 financial year.

The WCLA achieved the following during the 2013/14 financial year:

- The Liquor Licensing Unit delivered on all its APP targets. The number of applications received totalled 3 308 and greatly surpassed its target of 1 500 as stated in the APP. The number of licenses issued totalled 1 602, also surpassing the target of 500.
- The Compliance Unit conducted inspections to ensure greater compliance with stipulated licence conditions among licence holders. The unit exceeded its target relating to the number of inspections conducted by 1 820, boasting a total of 3 820 inspections conducted during the 2013/14 financial year.
- The Advocacy and Awareness Unit continued its campaign to educate stakeholders, including existing licence holders, SAPS and the general public on the implications of the Western Cape Liquor Act. The unit further expanded its education methods by introducing role play and drama in schools, industrial theatre in communities, motivational talks and applicants were educated on their rights as it pertains to lodging objections and the appeals process.
- The Business Support Unit ensured that the daily business operations of the WCLA were sustained. This included ensuring effective Financial Management and Human Resource Management processes, with a well organised registry service and an IT Infrastructure System in place.
- The WCLA successfully hosted the Western Cape Liquor Conference which was targeted at Designated Liquor Officers, municipalities and liquor consultants to clarify the challenges experienced with the application process.

Outcome Indicator	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations	
Sub-programme: Regulation Services						
1.1	Number of business licence appeals evaluated and recommendations issued	-	2	1	(1)	The number of appeals that are received by the Department is an area which is largely outside of its control. It must be noted that a decision to appeal or not is made by a business owner and is dependent on a number of factors relevant to the individual business. During the year under review the Department therefore only received 1 appeal from an unsuccessful applicant.
Sub-programme: Consumer Protection						
1.1	Increased awareness levels amongst Western Cape citizens regarding the OCP and its service offerings	92%	16% (Sample size of 3 000 consumers)	89.46%	73.46%	The topical interest in consumer rights issues has played a role in the increase in awareness levels amongst consumers. This topical interest has also resulted in wide scale media interest and reports on a variety of issues including the role and function of the provincial office. This has led to more consumers becoming aware of the provincial office. In addition, sustained education campaigns have been conducted with a variety of stakeholders across the province with the specific intention of increasing the awareness levels amongst citizens.
1.2	Number of strategic consumer NGO partnerships established	22	25	28	3	The topical nature of consumer protection has seen new partners requesting to have working relationships with the OCP. This is a positive development since enhanced partnerships directly contribute towards the interests of consumers being protected even more. This is both within the consumer education and case resolution environment.

Outcome Indicator		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
1.3	Monetary value saving to consumers	R5m	R4m	R4.1m	R100 000	The resolution of pending cases which had been carried over into the new financial year has contributed towards the target being exceeded. It must also be noted that certain cases e.g. motor vehicle purchases, involve a substantial amount of money and the resolution of these matters has ensured that a larger saving has accrued to what was predicted.
1.4	Percentage of consumers indicating satisfaction with the level and standard of service provided by OCP	83%	54% (Sample size of 1 500 consumers)	59%	5%	The increase in the satisfaction percentage amongst consumers is extremely positive and can be directly attributed to the enhancements in service delivery introduced within the OCP. This included partnering with relevant stakeholders in an effort to jointly address complaints within sectors related to the strategic partners. As an example the partnership with the Ombudsman for Consumer Goods has yielded positive results as far as resolving complaints within the consumer goods retail and manufacturing sector.
Sub-programme: Liquor Regulation						
1.1	Percentage of liquor outlets licensed	30.23%	32.5% (baseline: 26 000)	31.13% (baseline: 26 000)	(1.37%)	The Authority does not have control over licence holders renewing the licences annually.

Performance indicators and targets

The table below reflects an example of reporting against specified targets:

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Regulation Services						
Sector Specific Indicators						
1.1	Number of barriers identified	2	-	-	-	-
1.2	Number of barriers addressed	2	-	-	-	-
Provincial Specific Indicators						
1.3	Number of business licence appeal recommendations provided	-	2	1	(1)	The number of appeals that are received by the Department is an area which is largely outside of the control of the Department. It must be noted that a decision to appeal or not is made by a business owner and is dependent on a number of factors relevant to the individual business. During the year under review the Department therefore only received 1 appeal from an unsuccessful applicant.
1.4	Number of quarterly performance reports submitted by the WCLA	-	4	4	-	-
Sub-programme: Consumer Protection						
Sector Specific Indicators						
1.1	Number of consumer education workshops/information programmes conducted	275	220	243	23	The OCP continued to receive ad hoc requests for sessions from various stakeholders. The topical nature of consumer protection due to the exposure received in the media has resulted in many of these ad hoc requests which were accommodated. Therefore the target was exceeded.

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
1.2	Number of complaints received	15 597	12 000	10 554	(1 446)	The prediction of case numbers is often a challenging exercise as many different factors can impact on either an increase or reduction of cases. In addition it must be noted that during the year under review a number of additional complaint resolution authorities e.g. Ombudsman, Industry bodies, were granted temporary approval by the NCC to perform case resolution services for consumers. This therefore provided a consumer with an option of agencies to approach for assistance and an impact on new cases received was noted.
1.3	Number of complaints resolved	19 039	9 000	10 063	1 063	The case resolution numbers include matters from previous quarters as well as matters that were carried over from the previous financial year. As such the total resolutions which have been recorded must be seen in this context.
Provincial Specific Indicators						
1.4	Number of consumer protection information sheets/ booklets developed and distributed to citizens and business	10	12	12	-	-
1.5	Number of financial literacy workshops conducted	84	60	89	29	The target was exceeded primarily due to a number of ad hoc requests that were received from interested parties. The additional requests were accommodated in an attempt to provide a responsive and effective service.
1.6	Number of attendees at financial literacy workshops	2 509	1 800	2 664	864	The increase in the number of sessions conducted has had an automatic increase in the number of attendees of these sessions. Therefore the target was exceeded.

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Liquor Regulation						
Sector Specific Indicators						
1.1	Number of applications received	3 364	1 500	3 308	1 808	The Western Cape Liquor Authority has no control over the number of applications received. The increase can be attributed to the increase in the number of special and temporary licences received during the festive period.
1.2	Number of licences issued.	916	500	1 602	1 102	The number of sittings conducted by the LLT has increased and so too the number of licences approved and issued. The LLT has also since June 2013 started implementing a new action plan with regards to sittings (with the appointment of a new acting Deputy Presiding Officer).
1.3	Number of awareness interventions conducted	123	100	103	3	The overachievement was as a result of additional interventions being conducted. The WCLA conducted interventions targeted at schools, as the rate of alcohol abuse at schools was high.
1.4	Number of people reached through awareness programme interventions	1 212	800	4 331	3 531	Due to the increase number of awareness sessions the Authority was able to reach more people hence the over achievement on this target.
1.5	Number of inspections conducted	2 404	2 000	3 820	1 820	This was due to the number of blitz inspections conducted in conjunction with SAPS.
1.6	Number of social responsibility programmes conducted	-	-	-	-	-

Strategy to overcome area of underperformance

The economic environment in which the Department operates is a dynamic one. It is therefore imperative of this Department to ensure that all targets set are market driven and demand led. This process of setting targets is therefore extremely complex given the fickle nature of economic conditions specifically around investment promotion, trade, jobs and business confidence.

As a first step to ensuring that the Programme does not under-perform on any of its performance indicators, the Department initiated a process whereby indicators can be better determined. The Department has initiated the drafting of a Strategic Architecture document for each sector and

theme in which it operates. This document allows the Programme to describe the environment in which it operates, to identify a problem statement and subsequent sub-problem statement and articulate the strategies and projects that would mitigate or remedy these problems. This said, all indicators are then geared to remedying the actual challenges or market failures within the respective work areas. This process has also ensured that the Department can focus its attentions on indicators that measure the correct things that can and should be measured. Furthermore, the process also allows for the Department to budget for projects and programmes which will directly impact on the achievement of targets.

It should however be noted that a primary criterion for the setting of targets is past performance. By examining the past, the Department can, to a certain extent, gauge target setting given any amendments in budget allocation and concomitant changes in performance trends.

In terms of performance monitoring, 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 Departmental Top Management (DTM) meetings on a monthly basis where areas of uncertainty are debated and remedial actions where necessary are agreed upon.

Moreover, 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.

Linking performance with budgets

During the 2013/14 financial year, an amount of R41.481 million was appropriated to the Programme. Of this, compensation of employees accounted for R7.574 million, goods and services R2.881 million, transfers and subsidies R30.939 million and payments for capital expenditure R87 000.

Compensation of employees accounted for 18.26% of the final expenditure of the Programme.

Goods and services accounted for 6.94% of the total final expenditure of the Programme. The goods and services allocation was provided primarily to resource the Toll Free Call Centre function, which is managed by an external agency on behalf of the Provincial Government of the Western Cape.

It was also provided to increased consumer awareness levels through financial literacy and education consumer workshops, which have been successfully conducted. Despite the challenges that the Office of the Consumer Protection (OCP) unit faced with the consumer redress services they have managed to maintain its free dispute resolution service to the members of the public.

Transfers and subsidies accounted for 74.59% of the total final expenditure of the Programme. This allocation was provided primarily for the operationalisation of the Western Cape Liquor Authority during the 2013/14 financial year.

Payments for capital assets included an amount of R87 000 for the purchase of additional computers and desktops.

Sub-programme expenditure

Sub-Programme Name	2013/14			2012/13		
	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	10 384	10 384	-	9 846	9 795	51
Liquor Regulation	31 097	31 097	-	25 025	25 025	-
Total	41 481	41 481	-	34 871	34 820	51

4.5 PROGRAMME 5: ECONOMIC PLANNING

Purpose

The purpose is to provide support to the leadership, i.e. Minister, HOD and the Departmental Top Management (DTM), in undertaking planning processes that provide a coherent vision and strategic outcomes. Policies and programmes need to be developed, enhanced or applied to attain intended objectives. In other words the focus is on the long term perspective, and on the determination and realisation of the Department's vision so that it can inform shorter term plans, resource allocation, trade-offs and the sequencing of policies.

Programme structure

The Programme is structured as follows:

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

Strategic objectives for the year under review

- To co-ordinate and facilitate evidence-based provincial economic policy and strategy development.
- To conduct and facilitate economic research and to conduct economic analysis for policy development.
- To access, store and disseminate information on the provincial economy.
- To determine the effectiveness and impact of provincial economic development policies, strategies, programmes and projects.
- To promote economic development collaboration through effective economic partnership of regional economic players.

Service delivery objectives and indicators

Policy and Planning

The Economic Policy and Planning Unit supports the facilitation and promotion of integrated economic development policies, strategies and programmes, and provide leadership in economic policy development and knowledge management, most of which feed into other programmes. In 2013/14, the unit started a process towards the development of an evidence-based five-year economic development strategy for the Western Cape with the view of improving the alignment of the major economic policies across the three spheres of government. This exercise was delayed in 2013/14 as it had to take into account a number of contributory strategies, which had to be completed first before the process of developing a coherent economic strategy can continue in the 2014/15 financial year. The unit however focused their efforts instead on reviewing departmental programme strategies, with a view to incorporating them into the overall strategy. It is for this reason that the unit over-achieved on their target of reviewing four strategies – instead a total of eight strategies were reviewed.

The Economic Planning Unit in 2013/14 has also been able to monitor the Department's activities at a strategic level and ensure alignment of programmes and projects within the broader departmental and provincial strategic agenda. This was done through the Executive Projects Dashboard, which tracks the performance of the Department's strategic projects. The departmental

strategic projects on the Dashboard were successfully loaded and provided progress reports to the Executive Authority on the achievements of the Department.

The unit in 2013/14 further guided the completion of draft legislation, enabling the provincial government to become a member of the Economic Development Partnership. The Membership of the Western Cape Economic Development Partnership Act was passed by Provincial Cabinet in December 2013.

Research and development

The research reports commissioned in 2013/14 by the Research and Development Unit provided greater insight into potential areas for economic growth and job creation. In this regard the first phase of the Gel Fuel Project which was executed by the Cape Peninsula University of Technology (CPUT) was a great success and the results clearly prove that in comparison to paraffin, gel fuel is a far safer and healthier fuel to be used by poor communities, and if fully implemented could save the national fiscus approximately R100 billion.

The sector studies and the linked econometric model completed in 2013/14 also highlighted the growing economic sectors and their projections for economic growth and employment creation.

The informal sector study – also completed in 2013/14 – has been used as input in the informal economic sectors performance, a section in the annual Municipal Economic Review and Outlook (MERO) which was published by Provincial Treasury. The MERO provides a disaggregated view of the economic activity at municipal level.

Economic Development Partnership

The Economic Development Partnership (EDP) was established and launched to lead, co-ordinate and drive the economic growth, development and inclusion agenda for Cape Town and the Western Cape Province. It provides a new way of working together to redesign the regional economy and deliver different outcomes, to achieve greater levels of inclusive growth.

In 2013/14 the EDP consolidated its mandate and with the OneCape 2040 strategy as its mandate, utilised a particular methodology and practices to organise, motivate, and encourage stakeholders and partners to drive economic change and action within the Western Cape region. To give effect to the methodologies and practices identified above, the EDP has organised its efforts into four programme areas:

1. Building partnerships
2. Monitoring and evaluating partnerships
3. Teaching partnership techniques and practices
4. Supporting partnerships

The EDP in 2013/14 co-ordinated a joint application to the Jobs Fund Window 3 in partnership with the following entities: The City of Cape Town (Environmental Resource Management Department) as the lead applicant, Green Cape as a technical partner, and Seda Atlantis Renewable Energy Business Incubator as a business development partner. The application builds on a successful pilot that was previously delivered by the City of Cape Town, i.e. the Sustainable Livelihoods project undertaken during 2010, and has reframed it into an enterprise support proposition by pulling together role players across the value chain (from applied research to supplier development) in green housing initiatives. The value of the project is estimated at R100 million and will impact over 50 000 households in underserved areas, with a potential to roll out in similar neighbourhoods at a later stage.

The EDP delegations in 2013/14 also piloted the OneCape 2040 strategy in selected areas with a spatial focus on the West Coast Partnership, South Cape Region and the Cape Metropolitan Functional Region.



110% Green flagship companies receiving their flags. These companies operate in a variety of sectors and have all committed to doing something practical that connects green with the economy.

Green Economy

Four green economy investment cases were developed and approved in 2013/14. The purpose of these investment cases is to motivate for an economic case for the identified priorities. The first investment case focused on Green Finance and investigated the most suitable mechanism for enhancing investment into Green. The second investment case, titled “Smart Living and Working”, provided a value chain analysis of the low income housing market with the view of identifying market and economic opportunities. The third investment case encompassed a Regulatory Impact Assessment of the Waste Economy in the Western Cape and highlighted the areas where intervention is required in order to unblock the barriers to growth in the Waste Sector. The fourth Investment case investigated the investment opportunities linked to our Ecosystem Goods & Services, focussing on areas of co-benefits, i.e. areas where investments will unlock benefits for both private sector and government. The findings from these four projects will be taken forward in 2014/15.

Overall the Western Cape has become an attractive place to do business in renewable energy and the green economy due to GreenCape’s catalytic role in attracting investment into the province. A number of investors have chosen Cape Town as a preferred destination for their green business, notably in the PhotoVoltaic industry. SunPower, Jinko, SolaireDirect/ReneSola, AEG, SMA all have fabrication facilities in the City. GRI Renewable Industries, the wind industrial division of the international company Corporation Gestamp will be opening a wind tower manufacturing facility in Atlantis this year. This facility will be fully operational by the second half and will bring about significant investment and job opportunities in the West Coast region. Of the 64 projects allocated in the REIPPPP over 60% of the developers are based in the Western Cape. Even though some of these projects are implemented outside of the province, the companies are still developing and producing the components here.

The 110% Green programme achieved its target of enrolling 110 flagship companies during 2013/14. These companies operate in a variety of sectors and have all committed to doing something practical that connects green with the economy. The 110% Green team will continue to track the achievement of the flagship companies in the coming year. On the 110% Green project front, a

number of innovative projects have been undertaken the past year: a “Smart Innovation on Tour” took place in July 2013 which profiled the green innovation that is taking place in the province. The “Better Living Challenge” was launched at this event and is a three-year project that aims to foster green innovation in the low income home improvement sector.

Monitoring and Evaluation

While the adoption of Monitoring and Evaluation (M&E) in the South African government is (still) in its infancy, certain policy and institutional developments will assist government, and the Department in particular, to entrench the public mandate for a ‘government-wide M&E system,’ in departments including:

- Institutionalisation of M&E in government; via the emergence in 2011 of the Department of Performance Monitoring and Evaluation (DPME) mandated as the oversight department for a national M&E system in the public service;
- DPME’s various policy frameworks and guidelines since 2012; to shape and regulate the practice and use of evaluation in departments;
- The national MPAT exercise; as an externally verified public sector management tool to assess the quality of management practices; and
- The National Evaluation Plan, with the Western Cape Government’s Provincial Evaluation Plan 2013/14; which emphasises a need to shift to outcomes-level evaluations.

For the 2013/14 year, the M&E Unit has strived to increase its alignment to simultaneously respond to both national and departmental M&E imperatives; evidenced in the following achievements and result areas:

- Exceeding its Level 3 for M&E Maturity target, as measured via the national MPAT exercise. With M&E attaining the maximum rating of a Level 4, the “Department’s (M&E) is fully compliant with requirements and is doing things smartly.” Taken into consideration was the excess of evidence to substantiate M&E’s Level 4 of Maturity, which included the DEDAT’s Results Based M&E Policy Framework, plans and the M&E Programme; and
- For 2013/14, the evaluation programme delivered five evaluations; including performance assessments of departmental outcomes for ‘work opportunities,’ sector performance and consumer protection. This was complemented by a monitoring programme which focused on a diagnostic analysis of the monitoring system within implementing agents funded by the Department; whilst the quarterly M&E forums were geared to assist with institutionalising a culture of M&E within the Department.

Outcome Indicator		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Policy and Planning						
1.1	Updated Provincial Economic Development Strategy	1	1	-	(1)	Development of the strategy was postponed pending finalisation of contributory strategies, e.g. Green Strategy.
1.2	Number of approved investment cases	-	4	4	-	-
Sub-programme: Research and Development						
1.1	Established and recognised as the repository of credible provincial economic intelligence.	Fully functioning research unit	Fully functional provincial economic intelligence system	Fully functional provincial economic intelligence system	-	-
Sub-programme: Knowledge Management						
1.1	Level of staff awareness increased (229 staff members)	109	65% of staff informed and effective to be measured by internal survey	11 % of staff informed and effective to be measured by internal survey	(54%)	The sub-programme has no direct control over the staff completing the survey.
Sub-programme: Monitoring and Evaluation						
1.1	Level of M&E maturity	-	Level 3 of M&E maturity	Level 4 maturity	Improved by one level	The Monitoring and Evaluation unit was able to provide documentary evidence in support of its maturity rating, which exceeded the minimum submission requirements
Sub-programme: Western Cape Economic Development Partnership						
1.1	Updated Provincial Economic Development Strategy	1	1	-	(1)	Development of the strategy was delayed pending finalisation of contributory strategies, e.g. Green Strategy.

Performance indicators and targets

The table below reflects an example of reporting against specified targets:

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Policy and Planning						
Sector Specific Indicators						
1.1	Number of economic strategies developed	2	2	-	(2)	Development of the strategy was postponed pending finalisation of contributory strategies, e.g. Green Strategy.
1.2	Number of strategies reviewed	7	4	10	6	Target was exceeded as necessary groundwork for provincial strategy was undertaken.
Provincial Specific Indicators						
1.3	Number of strategic planning sessions	2	2	2	-	-
1.4	Number of Quarterly Project Dashboard Analyses	4	4	4	-	-
1.5	Number of investment cases developed	-	4	4	-	-
1.6	Number of flagship projects enrolled in 110% Green	-	110	110	-	-
1.7	Number of workshops held in the programme to address inhibiting values	-	2	2	-	-
Sub-programme: Research and Development						
Sector Specific Indicator						
1.1	Number of research reports	15	10	11	1	Target was exceeded as necessary research groundwork was done to inform a number of proposed strategies/frameworks (informal sector, cycle tourism and export market identification).
1.2	Number of Research and Development initiatives supported.	1	1	1	-	-

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Provincial Specific Indicators						
1.1	Number of Quarterly Economic reviews	-	3	3	-	-
Sub-programme: Knowledge Management						
Sector Specific Indicators						
1.1	Number of provincial economic intelligence reports produced	4	4	6	2	
1.2	Fully functioning resource centre	100% fully functioning resource centre	100 % functioning resource centre	100% functioning resource centre	-	-
1.3	Fully implemented e-filing system in accordance with Provincial guidelines	Establishment of e-filing system within the Department	Back scanning of records of two selected programmes	-	No programmes were back scanned	Due to the roll out of the Provincial ECM project the scanning has been placed on hold. The role out of the project has been placed within DCAS.
1.4	Number of learning networks facilitated	4	4	3	(1)	The learning network was cancelled due to the death of the former president Nelson Mandela.
Sub-programme: Monitoring and Evaluation						
Sector Specific Indicators						
1.1	Number of monitoring reports produced	11	10	10	-	-
1.2	Number of evaluation reports produced	5	5	5	-	-
Provincial Specific Indicators						
1.3	Number of sub-programme M&E plans developed	5	4	4	-	-
1.4	Number of M&E forum engagements	-	4	4	-	-
Sub-programme: Western Cape Economic Development Partnership						
Provincial Specific Indicators						
1.1	Number of support initiatives to the EDP	4	2	3	1	Due to the nature of the work of the EDP, an additional initiative arose which had not been anticipated.

Strategy to overcome area of underperformance

The economic environment in which the Department operates is a dynamic one. It is therefore imperative of this Department to ensure that all targets set are market-driven and demand-led. This process of setting targets is therefore extremely complex given the fickle nature of economic conditions specifically around investment promotion, trade, jobs and business confidence.

As a first step to ensuring that the Programme does not under-perform on any of its performance indicators, the Department initiated a process whereby indicators can be better determined. The Department has initiated the drafting of a Strategic Architecture document for each sector and theme in which it operates. This document allows the Programme to describe the environment in which it operates, to identify a problem statement and subsequent sub-problem statement and articulate the strategies and projects that would mitigate or remedy these problems. This said, all indicators are then geared to remedying the actual challenges or market failures within the respective work areas. This process has also ensured that the Department can focus its attentions on indicators that measure the correct things that can and should be measured. Furthermore, the process also allows for the Department to budget for projects and programmes which will directly impact on the achievement of targets.

It should, however, be noted that a primary criterion for the setting of targets is past performance. By examining the past, the Department can, to a certain extent, gauge target setting given any amendments in budget allocation and concomitant changes in performance trends.

In terms of performance monitoring, 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.

Moreover, 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.

Linking performance with budgets

During the 2013/14 financial year, an amount of R34.696 million was appropriated to the Programme. An overview of the funds spent per economic classification is as follows:

- Compensation of employees accounted for R9.700 million or 27.96% of total expenditure
- Goods and services accounted for R11.096 million or 31.98% of total expenditure
- Transfers and subsidies made up R13.493 million or 38.89% of total expenditure
- Payments for capital expenditure ran to R398 000 and
- Payments to financial assets ran to R3 000.

The goods and services allocation was provided primarily for the Green Economy Strategic Framework and realisation of investment and market opportunities (R5.888 million) through RIA Waste, Green Finance, Smart Living and Working and Investment Mapping. An allocation of R2.447 million was also provided for Research Projects such as the Sector Baseline Research Studies, Econometric system, Informal Sector, Global Entrepreneurship Monitor (GEM) and Regional Economic Agendas. Funds were transferred to the Green Cape (R1.950 million) to support the WISP and Smart Meters Project. The Cape Craft and Design Institute was also supported to the value of R1.150 million for the implementation of the Better Living Challenge Project. An allocation of R8.696 million was transferred to Western Cape Economic Development Partnership to motivate and encourage stakeholders and partners to drive economic change and action within the Western Cape region through four programme areas:

1. Building Partnerships
2. Monitoring and evaluating partnerships
3. Teaching partnerships techniques and practices
4. Supporting partnerships

A key delivery area for the EDP was the work done around the formulation of the Economic Transformation Framework which aims to accelerate growth and offer opportunities to Western Cape citizens within the next five years. An amount of R996 000 was transferred to the entity for this purpose.

Sub-programme expenditure

Sub-Programme Name	2013/14			2012/13		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Planning	14 159	14 159	-	9 555	9 547	8
Research and Development	5 781	5 775	6	6 805	6 805	
Knowledge Management	3 149	3 149	-	3 014	3 009	5
Monitoring and Evaluation	1 915	1 915	-	2 644	2 644	-
Economic Development Partnership	9 692	9 692	-	2 742	2 732	10
Total	34 696	34 690	6	24 760	24 737	23

4.6 PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

Purpose

To grow, promote and transform the tourism, arts and entertainment sectors in the Western Cape for the benefit of all citizens.

Programme structure

The Programme is structured as follows:

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

Strategic objectives for the year under review

- To create an enabling environment through legislation, policy and strategy development.
- To increase tourism to the Western Cape through the development of unique and innovative tourism product offerings and the creation of a conducive environment that will enhance visitor experience.
- To increase transformation and participation by citizens of the Province to actively contribute to the tourism industry through the provision of employment opportunities and business ownership.
- To increase visitor arrivals and spend in the Western Cape through maximising international and domestic marketing opportunities with a focus on leisure tourism, business tourism and events.
- The achievement of above average sustainable economic growth (measured by output and value) which gives rise to significant numbers of new sustainable employment opportunities.

Service delivery objectives and indicators

The Western Cape has the most diverse product offering in terms of tourism in South Africa and has all the necessary ingredients to become a leading destination in South Africa and in the international market place. The Western Cape's tourism sector contributes 9.8% to the provincial GDP and an estimated 150 000 people are employed in the tourism sector.

While the Western Cape is one of South Africa's leading tourist destinations, its tourism potential needs to be fully realised.

The provincially approved Strategic Objective 1: Creating opportunities for growth and jobs reaffirms that a key feature of the Western Cape economy is a "thriving multidimensional international tourism industry with strong links to the creative and cultural sectors. This is another sector that has, until the downturn that started in 2008, shown a strong increase in contribution to the Western Cape economy". Strategic Objective 1 emphasises destination marketing for tourism, destination marketing for major events, and support for growth sectors, including support for the Tourism sector.

The Department of Economic Development and Tourism has the provincial statutory and legislative mandate for tourism. It responds to all the elements of the tourism industry, including tourism development, tourism regulation and tourism marketing. The Tourism, Trade and Investment Act, 2013 provides for tourism destination marketing to be implemented by the Wesgro public entity.

Tourism destination performance

The United Nations World Tourism Organisation (UNWTO) predicts that the global tourism sector will experience sustained growth over the next two decades and that between 2010 and 2030 international tourist arrivals will increase by an average of 43 million people a year.

The World Travel and Tourism Council's (WTTC) Travel & Tourism Economic Impact 2013 World Report states that "2012 demonstrated again the resilience of the Travel & Tourism industry in the face of continued economic turmoil, as economic growth slowed and was even negative in key global markets. The latest annual research from WTTC and our research partner Oxford Economics, shows that Travel & Tourism's contribution to GDP grew for the third consecutive year in 2012, and created more than 4 million new jobs. The strongest growth in 2012 was evident in international demand as appetite for travel beyond national borders, from leisure and business visitors, remains strong."

Travel and Tourism's importance to the wider economy continued to grow in 2012. Its total contribution comprised 9% of global GDP (US \$6.6 trillion) and generated over 260 million jobs - 1 in 11 of the world's total jobs. The industry outperformed the entire wider economy in 2012, growing faster than other notable industries such as manufacturing, financial services and retail.

With such resilience in demand and an ability to generate high employment, the importance of Travel and Tourism as a tool for economic development and job creation is clear. In total, the industry contributed to over 10% of all new jobs created in 2012. Less restrictive visa regimes and a reduction in punitive taxation levels would help the industry to contribute even more to broader economic development and better fulfil the clear demand for international travel.

During 2012 tourist arrivals to South Africa amounted to 9 188 368 representing a 10.2% growth in arrivals from the 8 339 354 tourists who travelled to the country in 2011. The Total Foreign Direct Spend during 2012 in South Africa was R76.4 billion, an increase of 7.6% when compared to the R71.0 billion which was spent by foreign visitors during 2011. The average length of stay decreased from 8.5 nights per tourist in 2011 to 7.6 nights on 2012 driven off shorter stays by tourists from most of the destination's source markets. This is a global trend that affects all South Africa's competitors due to the economic downturn around the world.

Between January and June 2013, the Western Cape recorded a total of 691 862 tourist arrivals, representing an 8.0% increase in growth when compared to the 640 440 tourist arrivals recorded between January and June of 2012. The estimated Total Foreign Direct Spend into the first half of 2013 (Jan-Jun) reached R8.5 billion, a 7.6% decline in growth compared to the R9.2 billion worth of spend received across the same period of 2012. The number of bed nights spent by tourists between January and June in the Western Cape was 8 894 413 compared to the 8 032 487 bed nights across the same period of 2012, representing a significant 10.7% growth.

During the second quarter of 2013 the Western Cape received 14% of all South African tourist arrivals and 23.6% of South Africa's tourist spend. The Western Cape also held 23.1% of South Africa's bed nights. The largest share of arrivals into the Western Cape was from the European market (114 365), followed by Africa & the Middle East (74 426), Asia & Australia (52 520) and the Americas (51 547). The top ten growth markets for the Western Cape for the second quarter of 2013 was from key emerging countries such as the BRIC markets; China (including Hong Kong) and India. The highest growth was recorded by Angola (213.1%) followed by China (including Hong Kong; 123%) and Japan (108%).

The strong growth across markets and the positive increase achieved in the second quarter of 2013 could largely be attributed to external factors such as the depreciation of the Rand against major currencies, signs of recovery in the Eurozone crisis as well as in the overall economic environment.

Tourism, Arts and Entertainment Management

The Western Cape Tourism, Arts and Entertainment Partnership, which provides a mechanism for consultative governance, was maintained in the 2013/14 financial year. The Tourism, Arts and Entertainment Management Unit provided secretariat support to the Partnership, which facilitated 13 engagements with 453 members. These engagements included plenary sessions for both tourism and film stakeholders which were chaired by Minister Alan Winde. Key issues such as, collaborative tourism destination marketing between local, provincial and national government were raised and discussed in the Tourism plenary meetings. During the Film plenary meeting critical issues such as the visa application process were addressed. The Tourism HRD Sub-committee held one meeting during the financial year regarding tourism human resource development matters.

Tourism Development

In terms of facilitating growth in the Tourism sector, the Department is focused on playing an aggressive and proactive role in the development of tourism sites, attractions, facilities, routes, infrastructure and the environment in general as well as the expansion of tourism product. This is formalised in the WC Tourism Development Plan. The plan emphasises a wider distribution of tourists throughout the Province and the identification of economic opportunities especially with regard to local economic development. It is aligned to the National Tourism Sector Strategy.

There is a need to develop tourism routes that flow from Cape Town as the hook to spread visitor flow to the regions. The development of these tourism routes need to transcend municipal boundaries and lead to the development and marketing of new, well-packaged, value- for-money visitor experiences. The following major tourism routes were identified:

1. City to West Coast
2. City to Central Karoo via Winelands
3. City to Garden Route through the Overberg

In terms of the above, the Department in partnership with the road authorities, enhanced 48 majestic mountain passes as unique (natural) tourism icons, in all five regions of the Western Cape. Each of the designated passes has been clearly defined (with official name and other technical detail including GPS coordinates), branded and given tourism road signs. As part of the process over 300 tourism stakeholders had been identified, consulted and integrated into the project. General Tourism Information Boards have been placed in designated laybys in each pass.

The City to West Coast route

This project develops a tourist route linking the City with the outlying regions of the Province. The route currently consists of four nodes with room for more to be added in the future. The nodes are as follow: !Khwa ttu, West Coast Fossil Park, Clanwilliam Living Landscape Project and Griqua Ratelgat. During the 2013/14 financial year, the Department commenced plans to further develop the route by including an additional node (The West Coast Biosphere) and after numerous engagements with the West Coast and the National Department of Tourism, the Department submitted the business plan to NDT to apply for EPWP/SRI funding for the development of the second phase of this route.

City to Central Karoo via Winelands

Currently, an investigative study is being conducted in the Central Karoo for the development of the route together with the relevant stakeholders. Astro-tourism has been identified as a niche market which could be further developed with NDT, SANParks and Cape Nature. The Department is in the process of facilitating the business plan with all relevant role-players which will allow for a multi-partner stakeholder agreement.

City to Garden Route through the Overberg

During the 2013/14 financial year, the Department initiated and facilitated discussions in India with representatives from the Garden Route and tour operators based in India to further market the Garden Route as a tourist destination of choice among Indian tourists. An investigative study into the development of this route will take place in the 2014/15 financial year.

Cape Agulhas

During the 2013/14 financial year, the Department facilitated and re-submitted a funding application to the National Department of Tourism for EPWP funding for the erection of an Iconic Structure at the Southernmost Tip of Africa in Agulhas. The funding application was successful to the full value of the application during September 2013 and an amount of R15 million was allocated by NDT.

The business plan and implementation plan for the project has been completed and the environmental impact assessment is in the process of being completed before the physical development can commence. The allocated funding will be used for development of the Iconic Structure, the rehabilitation of the vegetation around the area earmarked for the erection of the Iconic Structure, the re-alignment of the boardwalk to comply with the heritage report that has been completed, the paving of the dirt road which leads up to the lighthouse precinct and the rehabilitation of the existing parking lot.

Development of India as an emerging market to the Western Cape

India has emerged as one of the world's fastest growing outbound markets, second only to China. Market potential from a tourism standpoint equates to approximately 2 million high-end travellers (business and leisure). India is among the top 10 tourism source markets for South Africa. From January to September 2012, 79 306 Indian tourists visited the country, an 18.3% increase over the same period in 2011.

Based on this, the Department and Wesgro participated in the SAT Roadshow to India during the 2013/14 financial year to represent the Province as a leisure, business events and film destination. The Roadshow delegation created awareness of the destination and educated the Indian audiences on our offerings. The event was also used to build relationships with the local travel trade, to strengthen our relationship with SAT and to gain market insights to tailor-make communication around specific needs. The Department facilitated a partnership between the NFVF, Wesgro (Film), Gauteng and KZN together with the SAT's country manager based in India to collaborate on promoting South Africa as a film destination in India.

Tourism Support Services

The Tourism Safety and Support Programme, now in its ninth year, responded to 28 incidents of tourists in distress with over 10 000 tourism safety tips distributed through 129 different organisations and tourism associations. The Tourism Road Signage Framework continued to be implemented by the Regional Tourism Liaison Committees in each region. Thirteen meetings handled 72 new applications over and above the 53 Cape Mountain Passes General Tourism Information boards successfully installed throughout the Western Cape to promote and encourage rural tourism.

Tourism Sector Transformation

Through the National Department of Tourism's partnership in the implementation of the Expanded Public Works Programme, 29 learners participated in Phase 2 and received work opportunities in the industry for a period of 3-12 months. These learners were also trained in Food and Beverage Management and Housekeeping. The EPWP programme was rolled out in all the six regions of the Province with the support of the industry.

As the result of the partnerships established with private and public sector, the Tourism Human Resource Development Unit managed to expose 594 learners to training opportunities. The learners were trained to obtain demand-led qualifications as per the CATHSSETA Sector Skills plan that identified the scarce and critical skills in the industry. Students were trained in Professional Cookery, Assistant Chef, and waitrons by public FET colleges to address the current skills gaps in the industry.

The unit also provided the SA Host/Service excellence programme to 212 employees in the Tourism and hospitality industry within the West Coast towns of Clanwilliam, Darling, Citrusdal, Piketberg, Klaver, Langebaan and Paternoster. The SA Host Programme was also rolled out at Robben Island. The SA Host is a national programme aimed at developing service excellence skills and promotes a culture of customer service in South Africa. The outcomes of the training resulted in the upskilling of employees in terms of the work functions and striving for increase service delivery in the tourism environment. The benefits for the employers are improved customer service provided to tourists, improved reputation in terms of friendly and hospitality service within the destination. At the end of the 2-day training, participants were awarded certificates and lapel pins which identify them as people who are committed to providing excellent service and to being ambassadors for their community and for South Africa.

The unit also provided 38 students with co-funding towards their tuition fees through the Tourism Collective Bursary Programme. The students' study fields are Tourism Management, Hospitality Management, Events Management and Graphic Design. This Programme attempts to address the "mismatch" which occurs between what is produced by the school system and that which is required by HEIs; and the "mismatch" which occurs between that which is required by the workplace and that which is produced by the HEIs to address the skills shortages.

The Tourism HRD and Enterprise Development units facilitated a total of 104 work opportunities in the 2013/14 financial year.

Tourism Enterprise Development provided support to 513 tourism businesses. The businesses were supported through the following interventions: Tourism Businesses Skills, Online Marketing and Social Media training, Tour Operator Programme, Guesthouse Management Programme and the Tourism Mentorship Programme. Social media training became a very popular programme among tourism businesses and the courses were often oversubscribed. The partnership with the Tourism Enterprise Partnership (TEP) provided an opportunity to 20 tourism businesses to participate in the Tourism Mentorship Programme.

In partnership with DEDAT's Economic Empowerment Unit, the sub-directorate funded 40 tourism businesses to obtain BEE certificates. The unit also worked with Cape Town Tourism, The City of Cape Town and Wesgro in organising networking sessions for tourism businesses. Different speakers from the industry were invited to come and address businesses on various topics of interest.

The unit participated in the shortlisting process of the Emerging Tourism Entrepreneur of the Year Award. One of the Western Cape-based businesses won the award and was crowned the national winner.

Tourism Regulation registered 1 523 tourist guides in accordance with the provisions of the Tourism Act of 1993, while 1 103 tourist guides were inspected as part of the inspection programme to identify illegal tourist guides. Where there were issues of non-compliance tourist guides were encouraged to renew their registration to avoid further steps being taken against them. The companies who employed illegal tourist guides were issued with warning letters.

The unit partnering with Metrorail, HGTS Tours and Delvera celebrated International Tourist Guides' Day by taking tourist guides on a tourism train to Stellenbosch Delvera Wine Farm. Excursions on the farm included educational tours on olive tasting, a pottery demonstration, wine tasting, mountain biking and an interactive reptile show.

In February 2013, the National Registrar of Tourist Guides withdrew the concession issued by his predecessor which gave the Provincial Registrars the powers to register tourist guides who did not have CATHSSETA certificates. This meant that the Provincial Registrar could not renew tourist guides' registration if they did not have a CATHSSETA certificate. A legal option sought by the Department in this regard, provided a way forward in terms of registration. The majority of

tourist guides affected by this withdrawal were guides trained by the Cape Peninsula University of Technology (CPUT). The Department entered into a series of discussions with CPUT to map a way forward in terms of their tourist guides. The Department would assist those tourist guides whose training providers were no longer in the industry by offering a re-assessment.

Tourism Destination Marketing

During the 2013/14 financial year, the Cape Town & Western Cape Convention Bureau secured 22 bids for business events which represent an economic value of R415.78 million. Over this period they also submitted 13 new bids, with an estimated value of R84 million and the potential to attract 4 942 delegates to the Western Cape. They also received a clean audit and thereby maintained their exclusive membership to the BestCities Global Alliance.

A total of 37 events were supported over the 2013/14 period with an economic value of R1.609 billion. Over the same period 11 joint marketing agreements were also secured.

Marketing Research and Intelligence Projects

The Wesgro Research Unit conducted various in-house tourism research projects during the 2013/14 financial year. The Western Cape Tourism Barometer was split into individual documents namely:

- Regional Barometer
- Cape Karoo
- Cape Town
- Cape Overberg
- Cape West Coast
- Cape Winelands
- Garden Route & Klein Karoo

Western Cape Tourism Trends – comprising of global trends, national trends, regional visitor trends (foot count, origin of visitors, travel group size, length of stay, purpose of visit), national parks visitor trends, attraction trends, airport trends and harbour trends. The research allows for informed decision making when commencing marketing and trade promotion initiatives for tourism within the Western Cape.

Commercial Arts and Entertainment

Craft

Commercial Arts and Entertainment supports the Cape Craft and Design Institute (CCDI), a leading institution in the development of the craft sector in South Africa, and the Programme's implementing agency for enterprise and trade development in the sector.

This CCDI has consolidated and refined its product offering to the extent that it is dependable, adaptable, accessible and relevant to the more than 5 000 creative enterprises registered on its database.

The organisation provides a holistic product offering, which includes both group and one-on-one services, and is able to deal with walk-in clients. The consolidation of the organisation and the building of internal expertise also provide for follow-through and entrepreneurs are able to return for follow-up support which means they are able to make progress incrementally.

The number of companies assisted over the years continues to increase. In the 2013/14 financial year, 5 642 companies were registered on the CCDI database (during the 2012/13 financial year, this figure was 3 617) and 1 409 unique businesses were supported through the various programmes. In terms of craft trade promotions and the number of businesses assisted, the

CCDI exceeded its target by 216. The CCDI also surpassed the annual target of 350 businesses assisted within craft enterprise development by assisting 1 165 businesses.

While the Department's funds are primarily used to support enterprise and trade development in the sector through the CCDI's core programmes: Product, Market and Business Support, the funds also leverage additional value add for the sector. For example, in the 2013/14 financial year a number of new projects and partners extended the scope and nature of the CCDI's activities - in addition to its existing core programmes and services. These include the e-Commerce project (funded by the dti) aimed at creating an e-commerce platform to enable craft businesses in South Africa to sell online. The Department of the Premier awarded the CCDI the Give Green (110% Green) project tender, which enables Western Cape Government departments to source gifts and conference items from local craft SMEs.

The CCDI works in a networked way and collaborates with a wide range of organisations in the public and private sector to create opportunities and increase efficiencies along the craft and design value chain.

Film

As the strategic driver for film, the Department, in 2013 signed a three-year MoU with the NFVF for the following:

- The identification of economic opportunities, with regard to local film sector development;
- The identification of opportunities and services to enhance development in the film sector;
- General co-operation with regard to marketing and trade investment promotion in the film sector; and
- Specific co-operation with regard to events, markets and festivals in the film sector.

The Wesgro Trade Unit promoted the Western Cape as film destination in June 2013 at the Association for Film Commissioners Locations Expo in Los Angeles to galvanise the National Film and Video Foundation partnership.

Wesgro supported the Cape Town and Winelands and Encounters Film Festival. A Film Manager was appointed in August 2013, which triggered numerous Western Cape location marketing opportunities. The dti supported missions and events that were in the Film business plan. These projects included: The Toronto International Film Festival (Canada); London Film Festival (UK) and the Pan African Film Festival (Los Angeles, USA). Wesgro Film also supported exporter development programmes (EDP), by up-skilling producers who attended the Rio Content Market (Brazil) and the Berlin Film Festival (Germany). The events were widely supported by the dti and the Association of Television and Film Transformation. Furthermore, various film producers were up-skilled via Wesgro's support of the Encounters Film Festival, and the Music Exchange Master Classes with Trevor Jones.

Big Fish Digital Film, supported by Wesgro, assisted with up-skilling producers, adding to the total number of production companies that the province supported. Companies were supported by the EDP Film programme, and business-to-business meetings with French animation (IFAS) and Animation SA at Kunjani'Mation (South Africa's premiere animation festival). This has led to ongoing animation sector cluster development with the dti, Animation SA and Games South Africa in order to deliver a more competitive incentive.

Inward missions support included those with the Reunion Island film manager, the CEO of the KZN Film Commission and the Hong Kong Trade and Development team. The joint market presence of the KZN Film Commission and Wesgro at the Hong Kong Film Market was a first for Africa at the exhibition. The exploratory mission during this year of "South Africa in China" cultural season, was specifically important and led to media interviews on the Western Cape locations-marketing published in Chinese media.

Wesgro hosted three of the six major Hollywood studios (Disney, Paramount and Newline/Warner) and the Executive Director of the American Guild of Producers (representing 6 000 top independent producers). The engagement was lauded by all supporters, namely Wesgro Tourism, Brand South Africa, the dti, the Consul General of Los Angeles as well as the NFVF.

Outcome Indicator		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme: Tourism Planning						
1.1	Qualitative and quantitative profiles for Tourism, Arts and Entertainment	1	1	1	-	-
Sub-programme: Tourism Growth and Development						
1.1	Value of tourism infrastructure investment	-	R2.5m	R15m	R12.5m	The Business Plan and application submitted to the National Department of Tourism for SRI/EPWP funding were successful for the full value of the application.
Sub-programme: Tourism Sector Transformation						
1.1	Number of work opportunities (THRD and TED)	-	400	104	(296)	The National Tourism EPWP programme could not appoint the service provider to roll-out the programme, hence the work opportunities not being met.
Sub-programme: Tourism Destination Marketing						
1.1	Number of international arrivals to the Western Cape	539 239	1 300 000	691 862	(608 138)	This figure is dependent on the SA Tourism Quarterly reports. The data for the remaining quarters were not available at reporting date.
1.2	International Foreign Direct Spend	R8.3bn	R8bn – R13bn	R8.5bn	-	-
1.3	Number of domestic trips	910 000	2m	1.129m	(871 000)	This figure is dependent on the SA Tourism Quarterly reports. The data for the remaining quarters were not available at reporting date.
Sub-programme: Commercial Arts and Entertainment						
1.1	Film marketing, trade and investment promotion – value of trade and investment	-	R700m – R1bn	-	(R700m)	The output needs to match the outcome. This matter will be addressed in the finalisation of the next five-year Film strategy.
1.2	Craft trade promotion – value of trade	-	R2m	R2.651m	R651 000	More trade opportunities arose which led to an increase in sales.

Outcome Indicator	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
1.3 Craft enterprise development - Number of businesses expanded	-	175	98	(77)	Due to lack of comparable information on the survey forms not all the crafters could be counted as there was no evidence to validate businesses expanded.
1.4 Craft sector development support - value of funding leveraged	-	R5m	R6.233m	R1.233m	More funding opportunities presented itself throughout the year.

Performance indicators and targets

The table below reflects an example of reporting against specified targets:

Performance Indicator (Output)	Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Tourism Planning					
Provincial Specific Indicators					
1.1 Number of members engaged in the WC Tourism, Arts & Entertainment Partnership	602	300	440	140	Additional engagements with the Tourism, Arts and Entertainment Partnership were scheduled resulting in more people attending Partnership events.
1.2 Number of strategic support interventions for Tourism, Arts & Entertainment.	1 annually updated sector strategy 2 position papers	1 annually updated sector strategy 2 position papers	1 annually updated sector strategy 2 position papers	-	-
Sub-programme: Tourism Growth and Development					
Provincial Specific Indicators					
1.1 Number of infrastructure projects supported	2	1	1	-	-
1.2 Number of tourism products supported/developed (niche markets, route development)	2	2	2	-	-

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
1.3	Tourism Support Services: Number of tourism establishments/ individuals supported/ assisted	950	210	225	15	The Tourism Safety and Support programme had an increased demand for travel tips from local tourism offices resulting in additional distribution.
Sub-programme: Tourism Sector Transformation						
Provincial Specific Indicators						
1.1	Tourism HRD: Number of people trained	2 452	430	591	161	The Tourism Collective Bursary Programme resulted in more applicants due to partnerships formed with FEDHASA and Nelson Mandela Metropolitan University - George Campus. The Tourism FET Skills Programme rolled out additional waitron training to ensure that the FET College meet their targets as per the MOA.
1.2	Tourism Enterprise Development: Number of existing businesses assisted	716	490	513	23	The Tourism Enterprise Development unit rolled out additional training in the Tour Operator and Social Media Programme.
1.3	Tourism Regulation: Number of individuals registered (tourist guides)	1 633	1 000	1 477	477	Although renewal notices are distributed and awareness created through interventions, the unit has no control over the number of tourist guides who register or renew.
1.4	Tourism Regulation: Number of individuals/ tourism-related businesses inspected or monitored (tourist guides)	1 077	1 000	1 108	108	Additional inspections were undertaken by officials during the course of the year.

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Tourism Destination Marketing						
Provincial Specific Indicators						
1.1	Tourism Marketing: Number of JMAs secured	5	3	11	8	Additional funding secured allowed us to secure additional JMAs.
1.2	Tourism Marketing: Number of conference bids secured	17	20	23	3	Additional funds secured allowed us to secure an additional bid and exhibition.
1.3	Tourism Marketing: Value of conference bids secured	R310.23m	R360m	R415.78m	R55.78m	Due to the increase in the number of bids secured, the value increased.
1.4	Tourism Marketing: Number of Events supported	19	27	37	10	The overachievement on this target is based on additional funds received, which allowed us to support more regional events.
1.5	Tourism Marketing: Value of events supported	R1.301bn	R1.2bn	R1.609bn	R0.409bn	The overachievement on this target is due to the additional number of events hosted during the year. In addition to this, the Cape Town International Jazz Festival took place in April 2013 and March 2014, which resulted in a higher return on investment.
Sub-programme: Commercial Arts and Entertainment						
Provincial Specific Indicators						
1.1	Film marketing, trade and investment-promotion - Number of business-assisted	-	50	68	18	There was an increase in interest for the Encounters Master Classes as well as the Big Fish Master classes.
1.2	Craft trade promotion - Number of business-assisted	435	180	400	220	Crafters are very keen to produce high-end quality products therefore, they over-utilise CCDI services to enhance their products and ensure that they stay up to date with the latest developments in craft promotion.

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
1.3	Craft enterprise development - Number of business-assisted	657	350	1 164	814	Because the craft industry is such an open market and competition is becoming tougher, it is important that craft producers remain ahead of their competitors and therefore the interest and participation in the enterprise and innovation programmes from the CCDI has increased.
1.4	Craft Sector development - Number of new members on database	313	50	295	245	The craft industry has become and proven to be a lucrative sector for economic growth and participation and so too has CCDI proven to be a sustainable development tool for the industry.
1.5	Number of economic sector intelligence reports produced	2	2	2	-	-

Strategy to overcome area of underperformance

The economic environment in which the Department operates is a dynamic one. It is therefore imperative of this Department to ensure that all targets set are market-driven and demand-led. This process of setting targets is therefore extremely complex given the nature of economic conditions specifically around investment promotion, trade, jobs and business confidence.

As a first step to ensuring that the Programme does not under-perform on any of its performance indicators, the Department initiated a process whereby indicators can be better determined. The Department has initiated the drafting of a Strategic Architecture document for each sector and theme in which it operates. 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 remedying the actual challenges or market failures within the respective work areas. This process has also ensured that the Department can focus its attentions on indicators that measure the correct things that can and should be measured. Furthermore, the process also allows for the Department to budget for projects and programmes which will directly impact on the achievement of targets.

It should however be noted that a primary criterion for the setting of targets is past performance. By examining the past, the Department can, to a certain extent, gauge target setting given any amendments in budget allocation and concomitant changes in performance trends.

In terms of performance monitoring, 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.

Linking performance with budgets

During the 2013/14 financial year, an amount of R47.554 million was appropriated to the Programme. Of this, compensation of employees accounted for R12.5 million, goods and services R4.513 million, transfers and subsidies R30.413 million and payments for capital expenditure R128 000.

In this regard, compensation of employees accounted for 26.29% of the Programmatic expenditure.

Goods and services accounted for 9.49% of the final expenditure of the Programme. The goods and services allocation was spent primarily to increase transformation and participation by citizens of the province to actively contribute to the tourism industry through the provision of employment opportunities and business ownership.

Part of the service delivery basket for Tourism Sector Transformation included facilitating work opportunities in the targeted sectors through enterprise development and human resources development. An allocation of R1.780 million was provided to assist/train businesses and to register tourist guides. Tourism Regulation registered 1 477 tourist guides in accordance with the provisions of the Tourism Act of 1993. It also provided support to 513 tourism businesses through the following interventions: Tourism Businesses Skills, Online Marketing and Social Media training, Tour Operator Programme, Guesthouse Management Programme and the Tourism Mentorship Programme. With regard to the Tourism Growth and Development, an allocation of R497 000 was spent on 53 Cape Mountain Passes General Tourism Information boards that were successfully installed throughout the Western Cape to promote and encourage rural tourism.

Payments for transfers and subsidies (amounting to R25.1 million) to Wesgro were provided to increase visitor arrivals and spend in the Western Cape through maximising international and domestic marketing opportunities with a focus on leisure tourism, business tourism and events. Funds were also allocated to encourage more individuals and businesses to expand and sustain their existing businesses through Film and Craft innovation.

Payments for capital assets included an amount of R127 000 for the purchase of additional computers and desktops.

Sub-programme expenditure

Sub-Programme Name	2013/14			2012/13		
	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	3 863	3 863	-	3 561	3 533	28
Tourism Growth and Development	4 838	4 838	-	4 574	4 564	10
Tourism Sector Transformation	8 702	8 702	-	8 538	8 508	30
Destination Marketing Organisation	22 600	22 600	-	25 000	25 000	-
Commercial Arts & Entertainment	7 551	7 551	-	8 740	8 740	-
Total	47 554	47 554	-	50 413	50 345	68

4.7 PROGRAMME 7: SKILLS DEVELOPMENT AND INNOVATION

Purpose

To facilitate the provisioning of human capital skills, innovation and technology in order to deliver on the human resources development needs of the Western Cape economy.

Programme structure

The Programme is structured as follows:

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

Strategic objectives for the year under review

- To ensure strategic coordination of skills initiatives to decrease the gap between skills supply and demand.
- To co-ordinate institutional arrangements by increasing access to occupationally directed programmes, leading to entry, intermediate and high-level learning and facilitate the employability of youth exiting matric and FET colleges for labour absorbing and priority sectors.
- The Regional Innovation Network (RIN) will stimulate the environment of innovation in order to improve economic growth and enterprise competitiveness.

Service delivery objectives and indicators

The Skills Development and Innovation Programme over the 2013/14 financial year had been actively involved in smoothing out the many challenges that are brought about in the transition from education to employment. Skills development as the major constraint to higher levels of economic growth and development remains one of the policy priority areas for the Western Cape Government.

The National Development Plan (NDP) supports this policy direction, but does not identify particular initiatives to address the skills development issue. Rather, it has put a strong focus on education and public employment initiatives, of which the Skills Development and Innovation Programme in the Department of Economic Development and Tourism, is key.

The establishment of the Provincial Skills Forum and its continued functioning in 2013/14 assisted with bringing skills development role-players together to identify skills development opportunities and address the many challenges that are currently in this space; facilitated access to resources; and supported skills interventions where they are needed.

On recommendation of the Provincial Skills Forum, the Skills Co-ordination sub-programme in 2013/14 initiated a process with stakeholders to develop an overall Skills Development Framework for the Province. A draft Skills Development Framework for the Province has now been completed and will be further refined in 2014/15. The objective of the draft Skills Development Framework and the workings of the Provincial Skills Forum in the 2013/14 financial year were to align the planning of skills development processes with national imperatives, provincial developments and local ecologies so as to ensure that the relevant skills are available and that the necessary conditions for economic strategies are proactively addressed and stimulated.

The Provincial Skills Forum, in addition to the development of an overall skills development framework for the Province, has recommended the development of skills development



The Provincial Skills Forum plans, among other things, the Premier's Council on Skills. In September 2013, the theme under discussion was Design.

frameworks for the Design, Broadband/ICT and Infrastructure space. These draft frameworks have been completed and it is expected that they will provide the basis for a proactive approach to developing the required skills to support, amongst others, these industries.

The foundation for improved alignment has also been laid in 2013/14 through the institutionalisation of regular engagements and coordination of the Sectoral Education and Training Authorities (SETA) cluster. The Province's Artisan Development Programme is one of the beneficiaries of such a collaborative partnership and in the 2013/14 financial year co-funding for the Artisan Development Programme has been secured through the Metals and Engineering (MERSETA) and the Wholesale and Retail (W&R SETA) SETAs.

Through the Provincial Skills Forum, the Skills Co-ordination Unit in 2013/14 also started work towards the development of the first phase of an e-skills platform. This initiative holds much promise as an integrated technology tool that would promote communication on skills development initiatives and interventions; much needed career awareness; and the introduction of e-learning content and learner management initiatives to drive self-empowerment to achieve academic progress and excellence. It is envisaged that the development of a fully functional electronic skills platform will also inform learners across the education spectrum on possible careers and their respective academic and other requirements. This will assist in driving informed subject choices, which will and should set the necessary guidance on academic goalsetting and productive input into the economy. This portal will also provide for the possibility of electronic uploading and downloading of learning material that could provide for online learning and training to occur.

The Workforce Development sub-programme was able to further promote employability in labour-absorbing industries of the Western Cape. Through its Work and Skills and Artisan Development Programmes it was able to increase access to occupationally directed programmes in 2013/14. Over 1 200 unemployed young people were able to access entry, intermediate and higher level technical and soft training opportunities and were matched to host companies, in which they could hone their skills.

The Work and Skills programme was rolled out in all six regions of the Western Cape. Of the beneficiaries 67% were female and 33% male. The companies with the largest placements were in the manufacturing, agriculture organisations and tourism sectors. Usually seasonal work reflects a decline in absorbing, retaining or taking on new unskilled placements, in the latter part of the fourth quarter. However, in Work and Skills there has been an increase in the number of placements in agricultural and manufacturing organisations, providing placements for skills acquisition, co-funding of stipends and possible job opportunities in generally high unemployed and poverty-stricken areas such as Bredasdorp, Ceres, Tulbagh, and Wolsley. The placements of learners within host companies for a period of up to six months occurred in the fourth quarter of 2013/14 and it is expected that the outcomes of the investments in this regard will only be realised in the next financial year.

A major achievement of the Work and Skills Programme had been its ability to leverage funding to achieve the Western Cape's skills development objective. The programme was able to leverage additional funding (over 3 years) from the Development Bank of Southern Africa (R63 million), which would assist with increasing the training and placement opportunities offered in mainly entry level positions. The Artisan Development Programme leveraged funds from MERSETA (R11.6 million); and W&R SETA (R540 000) to be spent over the next three years. This leveraged funding had been earmarked for the second and third phases of the Competency Based Modular Training to supplement the training of the 202 trainee artisans that have been placed with 59 host companies. This will assist the trainee artisans in their preparations for trade testing after the 2014/15 financial year.

The Workforce Development sub-programme through the Artisan Development Programme has provided the basis for preparing young people to acquire the technical proficiency required in the main for improving the productivity and - hopefully over time - the competitiveness of our manufacturing sector.

The major challenge that the team has been confronted with was to improve the work readiness of the young people entering employment. Work readiness skills broadly refers to both foundational cognitive skills such as reading for information, applied mathematics, locating information, problem-solving, and critical thinking and non-cognitive skills, or soft skills, which are defined as personal characteristics and behavioural skills such as adaptability, integrity, cooperation and workplace discipline that enhance an individual's interactions, career prospects, and job performance.

One of the biggest challenges of the skills development programmes is to measure achievement and employment over time as this requires an ability to track the young people after they have left the programme. Tracking these learners prove difficult as they often migrate, and most often do not retain their contact addresses and cell phone numbers. In instances where some are tracked, they have achieved full employment after having rotated amongst more than one organisation. However, despite these challenges, where learners were contacted and it was confirmed that they were employed, acknowledgement to the benefits of the Work and Skills programme was affirmed.

In partnership with the Western Cape Economic Development Partnership (EDP), DEDAT has run various innovation workshops with key national and provincial stakeholders including academia, industry and government to improve the Regional Innovation Network (RIN). The RIN is the sum total of activities in the region that contribute to innovations, improved practices or products. The Regional Innovation Network will continuously, with the EDP, run "Exchange Laboratory" workshops, to actively facilitate information and knowledge generation, shift mind-sets on the sharing of information and align project support across the pipeline of innovation to commercialisation. Supporting and strengthening RIN is essential for growth and employment opportunities.



Beneficiaries of the Artisan Development Programme who were placed at a host company participating in the programme talked about and demonstrated the experience they've gained at an event in July 2013.

Current progress in projects

- The Innovation Unit, in partnership with the Technology Innovation Agency (TIA) and the Stellenbosch Innovation District, has been involved in the draft conceptualisation of developing a website platform where information on innovation can be housed (including funding and investment opportunities), where socio-economic and commercial challenges and opportunities can be identified, encouraging and improving collaboration, problem-solving and the competitiveness of enterprises.
- TIA and the Innovation Unit are currently collaborating around a pilot project aimed at facilitating the transfer of knowledge and the spread of technical and business skills, through innovative projects undertaken by high calibre, recently qualified graduates with the joint supervision of the company and university.
- To assist with the sustainability of activities, a business case was co-developed by the Innovation unit and the EDP to co-fund the RIN programmes going forward and has been forwarded to the Department of Science and Technology.

The three sub-programmes contribute to the strategic objectives of the Department, to grow the economy and job creation.

To achieve these objectives the Department has over the past financial year made efforts to:

- Drive improved planning, coordination, and implementation of skills supply and demand initiatives in selected economic sectors through provincial, national, local government, as well as public and private sector stakeholders
- Enhance efforts to address the current supply and demand for skills development to improve the Province's economic growth prospects and employment uptake with a special emphasis on the unemployed, first-time employed and youth
- Better deliver on future skills demand through better intelligence and information across selected sectors and strategic and catalytic economic projects.

Outcome Indicator		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Provincial Skills Co-ordination						
1.1	Strategic frameworks for priority skills development sectors/ enablers	-	1	1	-	-
1.2	Value of interventions implemented/ facilitated	-	-	-	-	-
Sub-programme: Workforce Development						
1.1	Number of jobs facilitated: Work and Skills Programme	260	450	106	(344)	2 177 learners were contacted during the tracking process. However, the majority of learners were not contactable or had changed addresses and/ or contact details. Learners also often get jobs in the financial year, however we do not receive the evidence in time to report in the financial year at hand.
1.2	Number of people trade tested (Artisans)	-	-	-	-	-
1.3	Value of funds leveraged	R1.175m	R51m	R76.7m	R25.7m	The MERSETA and W&R SETA partnerships toward co-funding the Artisan Development Programme were additional funds to the DBSA jobs fund.
Sub-programme: Innovation						
1.1	Functioning Regional Innovation Network	1	1	1	-	-
1.2	Value of funds leveraged	-	-	-	-	-

Performance indicators and targets

The table below reflects an example of reporting against specified targets:

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
Sub-programme: Provincial Skills Co-ordination						
Provincial Specific Indicators						
1.1	Number of collaborative skills interventions supported	-	3	4	1	
1.2	Number of engagements, forums and events	-	10	14	4	Increased initiatives to support collaborative skills interventions such as: Broadband Framework for Skills and the Design Skills Framework.
1.3	Development of an IT-enabled skills platform	-	1	-	(1)	The SITA (State IT Agency) delayed signing of the contract that would have resulted in its completion. The project will be completed in 2014/15.
Sub-programme: Workforce Development						
Provincial Specific Indicators						
1.1	Number of people trained: Work and Skills	790	1 000	1 241	241	The demand for learners was higher than targeted and businesses requested a larger pool of learners to select for placement.
1.2	Number of people placed with host companies: Work and Skills	763	1 000	1 099	99	The number of learners placed was exceeded due to the increase in the demand for labour and to accommodate for possible drop-offs as a result of learners exiting prematurely due to work/ study/other opportunities.
1.3	Number of host companies matched to Work and Skills	92	150	65	(85)	The number of host companies that elected to host learners for the six month's experiential period, was less than anticipated, due to the fact that fewer larger companies took on more learners with the confidence of greater retention after the completion of the internship.

Performance Indicator (Output)		Actual Achievement 2012/13	Planned Target 2013/14	Actual Achievement 2013/14	Deviation from planned target to Actual Achievement for 2013/14	Comment on deviations
1.4	Number of people placed in host companies: Artisans	-	200	202	2	The number of learners placed was exceeded due to the increase in the demand for labour and to accommodate for possible drop-offs as a result of learners exiting prematurely due to work/study/other opportunities.
Sub-programme: Innovation Provincial Specific Indicators						
1.1	Number of working groups for the Regional Innovation Network established	1	1	1	-	-

Strategy to overcome area of underperformance

The economic environment in which the Department operates is a dynamic one. It is therefore imperative of this Department to ensure that all targets set are market-driven and demand-led. This process of setting targets is therefore extremely complex given the fickle nature of economic conditions specifically around investment promotion, trade, jobs and business confidence.

As a first step to ensuring that the Programme does not under-perform on any of its performance indicators, the Department initiated a process whereby indicators can be better determined. The Department has initiated the drafting of a Strategic Architecture document for each sector and theme in which it operates. 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. This said, all indicators are then geared to remedying the actual challenges or market failures within the respective work areas. This process has also ensured that the Department can focus its attentions on indicators that measure the correct things that can and should be measured. Furthermore, the process also allows for the Department to budget for projects and programmes which will directly impact on the achievement of targets.

It should however be noted that a primary criterion for the setting of targets is past performance. By examining the past, the Department can, to a certain extent, gauge target setting given any amendments in budget allocation and concomitant changes in performance trends.

In terms of performance monitoring, 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.

Linking performance with budgets

During the 2013/14 financial year, an amount of R36.158 million was appropriated to the Programme. Of this, compensation of employees accounted for R7.386 million, goods and services R13.605 million, transfers and subsidies R14.939 million and payments for capital expenditure R228 000.

In this regard, compensation of employees accounted for 20.43% of the Programmatic expenditure.

Goods and services accounted for 37.63% of the total final expenditure of the Programme. The goods and services allocation of R890 000 was provided primarily to enhance cohesion between all provincial and national stakeholders in order to ensure an environment conducive to skills development through the Provincial Skills Forum (PSF). For the 2013/14 period the focus was on the coordination of stakeholders and catalytic demand-led interventions. A draft Skills Development Framework for the Province has been completed and aligned to the planning of skills development processes.

With regards to Workforce Development an allocation of R11.919 million was to facilitate or support unemployed youth to access jobs through the Work and Skills programme within six regions of the Western Cape.

Payments for transfers and subsidies accounted for 41.32% of the total final expenditure of the Programme. The PSF unit made transfer payments to the following beneficiaries for catalytic demand-led interventions: Saldanha Bay IDZ (R2.813 million), Industrial Development Co-operation (R626 000), Cape IT Initiative (R3.312 million), Learning Cape Initiative (R500 000), and 3 FET Colleges (R310 000). Funds were transferred to the South African Oil and Gas Alliance (R6.136 million) to bridge the gap between supply and demand across selected sectors through the Artisan Development Programme where the programme provided a basis to prepare young people to acquire the technical proficiency required in the main for improving productivity and - hopefully over time - the competitiveness of our manufacturing sector.

Sub-programme expenditure

Sub-Programme Name	2013/14			2012/13		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Skills Coordination	12 350	12 350		3 805	3 805	
Workforce Development	20 429	20 429		20 908	20 870	38
Innovation	1 239	1 239		888	873	15
Management: Skills Development and Innovation	2 140	2 140		1 088	1 082	6
Total	36 158	36 158		26 689	26 630	59

5. SUMMARY OF FINANCIAL INFORMATION

5.1. Departmental receipts

Departmental Receipts	2013/14			2012/13		
	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
- Casino taxes						
- Horse racing taxes						
- Liquor licences	24 000	28 328	(4 328)	13 315	24 822	(11 507)
- Motor vehicle licences						
Tax Receipts	24 000	28 328	(4 328)	13 315	24 822	(11 507)
Sale of goods and services other than capital assets	270	388	(118)	270	418	(148)
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land		14	(14)		9	(9)
Sale of capital assets						
Financial transactions in assets and liabilities		2 851	(2 851)		4 320	(4 320)
Total	24 270	31 581	(7 311)	13 585	29 569	(15 984)

5.2. Programme Expenditure

Programme Name	2013/14			2012/13		
	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	33 249	33 249	-	25 254	25 210	44
Integrated Economic Development Services	50 007	50 007	-	51 322	51 306	16
Trade and Sector Development	129 828	124 240	5 588	102 276	101 296	980
Business Regulation and Governance	41 481	41 481	-	34 871	34 820	51
Economic Planning	34 696	34 690	6	24 760	24 737	23
Tourism, Arts and Entertainment	47 554	47 554	-	50 413	50 345	68
Skills Development and Innovation	36 158	36 158	-	26 689	26 630	59
Total	372 973	367 379	5 594	315 585	314 344	1 241

5.3. Transfer Payments to Public Entities

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	Achievements of the public entity
Programme 2: Integrated Economic Development Services							
Casidra	Schedule 3 (D)	Financial support to qualifying small enterprises and projects	Yes	5 500	An amount of R6 058 936,42 was approved for project assistance. Interest earned on the capital amount and rolled over funds will be used to cover the shortfall of funding that will be required.	An amount of R421 984 remains uncommitted. The Provincial Growth Fund is a demand-driven financial product. Due to the quality of proposals received, the Department was unable to commit the full allocation.	See Part B Programme 2: Integrated Economic Development Services

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	Achievements of the public entity
Programme 3: Trade and Sector Development							
Wesgro	Schedule 3 (C)			28 015	21 156		See Part B Programme 3: Trade and Sector Development
Programme 4: Business Regulation & Governance							
Western Cape Liquor Authority (WCLA)	Schedule 3 (C)	To regulate the retail sale and micro-manufacturing of liquor in the province. It will also facilitate transformation of the liquor industry in the Western Cape by promoting the entry of new licence holders and aims to ensure the responsible use of liquor.	Yes	30 936	30 936	-	See Part B Programme: 4 Business Regulation & Governance
Programme 6: Tourism, Arts & Entertainment							
Wesgro	Schedule 3 (C)		Yes	25 100	25 100	-	See Part B Programme 6: Tourism, Arts & Entertainment.
Programme 7: Skills Development & Innovation							
Wesgro	Schedule 3 (C)	Saldanha Bay IDZ skills development programme (accommodation for 30 learners on Artisan Programme in partnership with ARMSCOR)	Yes	2 813	2 813	-	See Part B Programme 7: Skills Development & Innovation.

5.4. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2013 to 31 March 2014

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						
National Empowerment Fund	Schedule 3 (A)	ED Loan Fund: Financial support in the form of loan funding to qualifying small enterprises	Yes	4 500 Total funds available for loan funding at the start of the financial period amounted to R619 124. Additional funds of R4 500 000 were transferred during the period. However, a deal valued at R3 172 000 was withdrawn in February 2014.	480 was committed to loan funding.	Available funding as at 31 March 2014 amounted to R7 811 124. The WCDE-DAT / NEF ED Fund Initiative is a demand-led financial product which requires a due diligence exercise to be performed prior to funding being committed to qualifying beneficiaries. At 31 March 2014 loan applications valued at R12 450 000 were in the process of undergoing a due diligence exercise.
National Empowerment Fund	Schedule 3 (A)	ED Grant Fund: Financial support in the form of grant funding to qualifying small enterprises	Yes	2 100 Total funding available amounted to R2 748 361,56 - an amount of R648 361,56 was unspent at 31 March 2013.	2 128	Available funding as at 31 March 2014 amounted to R619 544, 87. The ED grant fund is a demand-led product. Applications to the fund will be reviewed and adjudicated in Q1 of the 2014/15 financial year. It is anticipated that all funds will be spent/ committed during Q1.
Small Enterprise Development Agency (SEDA)	Schedule 3 (A)	Funding of 15 access points offering Business Development Support Services	Yes	5 000	5 000	-

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
West Coast Business Development Centre	Non Profit Institute	Funding of Business Development Support on the West Coast	Yes	550	465	Funds carried over to cover costs incurred by on-going service delivery.
The Business Place	Non Profit Institute	Funding of Business Development Support in Philippi and Khayelitsha	Yes	550	540	Funds carried over to cover costs incurred by on-going service delivery.
Programme 3: Trade and Sector Development						
Business Process Enabling South Africa (BPeSA)	Non Profit Institute	Cluster Development	Yes	4 500	4 357	The funding is earmarked for clustering and will be spent by mid-June 2014.
Cape Clothing & Textile Cluster (CCTC)	Non Profit Institute	Cluster Development	Yes	2 500	2 380	The balance will be spent by end of May 2014.
Cape Town Fashion Council (CTFC)	Non Profit Institute	Cluster Development	Yes	2 500	2 500	-
CLOTEX	Non Profit Institute	Cluster Development	Yes	3 000	1 318	The funds have been committed for operational expenditure until the 2014 transfer goes through. These funds will be spent by mid-June 2014.
Cape Information Technology Initiative (CITI)	Non Profit Institute	Cluster Development	Yes	3 000	967	The surplus funds consist of committed funds to the following projects - Capaciti, The Barn, Citi Opex and Research. These projects traditionally run over two financial years and funds will be spent by mid-June 2014.
GreenCape	Non Profit Institute	Cluster Development and projects	Yes	7 500	7 199	The funds have been earmarked for operational and project expenses and will be spent by the end of May 2014.

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
South African Honeybush Tea Association (SAHTA)	Non Profit Institute	Cluster Development	Yes	500	492	Transfer occurred late in the financial year, the surplus is earmarked for operational expenses and will be spent by the end of May 2014.
South African Oil & Gas Alliance (SAOGA)	Non Profit Institute	Cluster Development	Yes	4 864	4 083	Funds have been earmarked for skills projects which started late in the financial year. Funds will be spent by mid-June 2014.
Western Cape Aquaculture Development Institute (WCADI)	Non Profit Institute	Cluster Development	Yes	2 300	2 153	The balance is for operational expenses and will be spent by mid-March 2014.
Western Cape Furniture Initiative (WCFI)	Non Profit Institute	Cluster Development	Yes	400	400	-
Western Cape Fine Food Initiative (WCFFI)	Non Profit Institute	Cluster Development	Yes	1 500	1 428	The balance of the funds is earmarked for operational overheads and will be spent by mid-June 2014.
Western Cape Tooling Initiative (WCTI)	Non Profit Institute	Cluster Development	Yes	1 000	667	The bank balance is divided between R77 000 for operational expenses and R255 000 for VAT returns which must still be re-allocated. The funds will be spent by mid-June 2014.
Cape Information Technology Initiative (CITI)	Non Profit Institute	Establish a community Barn	Yes	2 400	1 259	Cape IT Initiative, TheBarn is awaiting the Lookout Hill site, which is occupied by the Khayelitsha Commission of Inquiry. This has caused the delay in the project.

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
Big Data (SKA)	Business entity in the NRF	Develop a feasibility study for a big data facility and implementation of the Big Data Africa programme	Yes	1 200	663	Formalising the university partner for Big Data Africa portion of project has taken longer than anticipated. Funds are anticipated to be spent by December 2014.
City of Cape Town – ICAN Centre	Municipality	Renovate and equip site for ICAN Centre	Yes	2 350	0	Funds will only reflect in City's budget for their 2014/15 financial year: July 2014. Funds are anticipated to be spent by December 2014.
University of the Western Cape – ICAN Centre	University	Training of 4 zone co-ordination and development of qualification for 2 niche areas for the ICAN centre	Yes	550	0	Budget was only transferred in March 2014. There is a delay as UWC is dependent on the appointment of the operator. Funds are anticipated to be spent by December 2014.
Saldanha Municipality	Municipality	Implementation of Phase 1 of the wireless network	Yes	2 800	0	No bids were compliant, tender was re-advertised. SBM has applied to PT for a roll-over in order to appoint a service provider in the new municipal financial year.
Digital Village	Non Profit Institute	Implementation of wireless hotspots	Yes	2 000	1 702	Funds were only transferred in March 2014 and are anticipated to be spent by October 2014.
Home of Compassion	Non Profit Institute	Implementation of the phase 1 of the wireless network	Yes	2 000	1 499	Funds were only transferred in March 2014 and are anticipated to be spent by October 2014.

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
Project Isizwe	Non Profit Institute	Implementation of wireless hotspots	Yes	2 000	0	Funds were only transferred in March 2014 and are anticipated to be spent by October 2014.
Cape Information Technology Initiative (CITI)	Non Profit Institute	Eco-system analysis for the E-Skills platforms	Yes	999	615	Final deliverable delayed due to concurrent SITA570 process. Balance will be spent in May 2014.
Cape Craft & Design Institute (CCDI)	Non Profit Institute	Develop a business opportunity analysis and business model development	Yes	5 545	2 392	Last transfer payment to the beneficiary occurred late in the previous financial year. The balance is committed for the management of the project and will be spent by mid-June 2014.
Cape Town Partnership (CTP)	Non Profit Institute	Marketing and co-ordination of The Fringe	Yes	800	800	-
Programme 5: Economic Planning						
GreenCape	Non Profit Institute	Implementation of the Western Cape Industrial Symbiosis Programme and Smart Meters Project	Yes	1 950	1 950	-
Cape Craft and Design Institute (CCDI)	Non Profit Institute	To undertake the project management function of the Better Living Challenge	Yes	1 150	1 150	-

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 Economic Development Partnership (WCEDP)	Non Profit Institute	To promote innovation and the work being undertaken under the "Partnership for Innovation" programme and to ensure continuation of the information collected during the "Smart Innovation on Tour Project".	Yes	650	650	-
Western Cape Economic Development Partnership (WCEDP)	Non Profit Institute	Operational Cost	Yes	8 696	8 491	The balance of the Funds are earmarked for operational overheads and will be spent by mid-June 2014.
Western Cape Economic Development Partnership (WCEDP)	Non Profit Institute	The formulation of the Economic Transformation Framework (EFT), which aims to accelerate growth and offer opportunities to Western Cape citizens within the next 5 years.	Yes	995	995	-
Programme 6: Tourism, Arts & Entertainment						
Cape Craft and Design Institute (CCDI)	Non Profit Institute	Craft Sector Development	Yes	4 000	4 000	-

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 & Innovation						
Cape Craft and Design Institute (CCDI)	Non Profit Institute	Develop and implement a design skills strategy	Yes	1 225	816	The balance of the funds will be spent by mid-June 2014.
Cape Information Technology Initiative (CITI)	Non Profit Institute	The design of an e-skills platform. Stakeholders can interact on a virtual platform around skills development, increasing alignment and collaboration around skills initiatives. A post-graduate training course in ICT infrastructure and soft skills will be implemented.	Yes	3 312	-	The ICT project initiated the recruitment of learners and the project is implemented in 2014/15. The e-skills platform was initiated in 2013 and key activities will be rolled out in 2014.
Learning Cape Initiative	Non Profit Institute	Grant funds for operational requirements	Yes	500	500	-
College of Cape Town	Non Profit Institute	A partnership between DE-DAT and the Department of Health, the City of Cape Town, Armaments Corporation of South Africa Ltd, South African Oil and Gas Alliance and Imperial Technical Training Academy has been initiated to conduct a RPL proof-of-concept so that the process can be tested with 20 candidates and adapted for further implementation.	Yes	93	93	-

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
Northlink College	Non Profit Institute	A partnership between DEDAT and the Department of Health, the City of Cape Town, Armaments Corporation of South Africa Ltd, South African Oil and Gas Alliance and Imperial Technical Training Academy has been initiated to conduct a RPL proof-of-concept so that the process can be tested with 20 candidates and adapted for further implementation.	Yes	109	109	-
False Bay College	Non Profit Institute	A partnership between DEDAT and the Department of Health, the City of Cape Town, Armaments Corporation of South Africa Ltd, South African Oil and Gas Alliance and Imperial Technical Training Academy has been initiated to conduct a RPL proof-of-concept so that the process can be tested with 20 candidates and adapted for further implementation.	Yes	109	109	-

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
South African Oil and Gas Alliance (SAOGA)	Non Profit Institute	Placement in the workplace for artisan trainees	Yes	6 136	1 536	Learner savings from stipends will be used in 2014 while learners are completing the 18 month placement.
Industrial Development Corporation (IDC)		Feasibility study was conducted for the establishment/ expansion of an artisan skills facility	Yes	626	626	-

5.5. Conditional grants and earmarked funds paid

Not applicable

5.6. Conditional grants and earmarked funds received

Not applicable

5.7. Donor funds received

Not applicable

5.8. Capital investment, maintenance and asset management plan

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. During the financial year 2014/15 the Department will be undergoing a restructuring of all floors and offices, the restructuring will be erected by the Department of Transport and Public Works.

Plans to close down or downgrade 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.

A total of 173 assets have been disposed of during the financial year 2013/14.

A total of 387 assets have been transferred to the Western Cape Liquor Authority during the financial year. Transfers form part of disposals in the Annual Financial Statement inputs.

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 all relevant prescripts and asset management guidelines. On a monthly basis the asset register, LOGIS registers and the BAS system are reconciled to ensure that all register are complete and correct.

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

- 75% is in good condition
- 23% is in a fair condition
- 2% 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 manufacturers' 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

Departmental Receipts	2013/14			2012/13		
	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
New and replacement assets	4 136	4 136	-	2 693	2 477	216
Existing infrastructure assets						
- Upgrades and additions						
- Rehabilitation, renovations and refurbishments						
- Maintenance and repairs						
Infrastructure transfer						
- Current						
- Capital						
Total	4 136	4 136	-	2 693	2 477	216

Performance
adequate systems
laws, regulations
Compliance prac
and standards, s
safety and secur

**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 to 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. This committee ensures that corporate, ethical and social responsibility and accountability are imparted to the Departments' entire stakeholder constituent. During the 2013/14 financial year, the committee made great strides in the areas of risk management, fraud prevention awareness and training and the value-adding internal audit assurance provider arena. This was primarily done through the maturing of thinking around risk articulation and its relation to internal audit and the re-engineering of fraud prevention training programmes.

During 2013/14, risk management set its foot on the international and thus mature path of becoming ISO 31000 compliant. This first year of awareness of the value and potential of a higher level of risk intelligence in addition to lessons learnt in prior years translated into more clearly defined risks and consequently better alignment to departmental objectives. This headway in risk maturity was recognised and highly commended by the provincial oversight body, the Economic Cluster Shared Audit Committee, who applauded the Department for its progress in embedding effective risk management processes.

To further preserve the highest standards of governance, the Department, as with prior years, continued its fraud prevention policy stance of zero tolerance through the enhancement of its training and awareness programmes. Closer partnership and a deeper understanding of the mandates of the Department and the FIU in terms of fraud prevention led to a re-engineering of fraud training programmes where highly prevalent fraud risk areas were examined and fraud prevention training material was tailored to address the relevant area. In this way staff gained specific financial management compliance training and the related fraud prevention tutoring. In addition, the related training programmes were scheduled to precede each other to ensure optimal stimulation to the subject matter.

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 in the Department of the Premier (DotP) provides a centralised strategic support service to the Department.

In compliance with the PSRMF and to further embed risk management within the Department, the Western Cape Government has adopted an ERM Policy which sets out the WCG's overall intention with regard to ERM.

An Annual ERM Implementation Strategy has been developed in order to give effect to the WCG ERM policy and to attain the Annual Enterprise Risk Management Implementation Plan and the risk management priorities of the Department. This enables the Department to deliver on its departmental goals, objectives and key performance indicators, enhance risk informed decision-making and optimise compliance with applicable legislation. It further outlines the roles and responsibilities of managers and staff in embedding risk management in the Department and defines the enabling legislation, standards, mechanisms, tools and resources to be used to realise the ERM plan.

The Governance Committee provides governance oversight over the entire system of risk management of the Department and furnishes the Accounting Officer with the requisite reports in respect of performance of risk management. The Audit Committee provides the independent oversight of the Department's system of risk management. The Audit Committee is furnished with Quarterly ERM progress reports and departmental risk profiles and registers to execute their independent oversight role. The Audit Committee's evaluation of the risk management process

is in relation to the progress of implementation of the Department's Annual ERM Implementation Plan and significant/strategic risks faced by the Department and their relevant risk response/treatment strategies.

Governance Committee

The Department of Economic Development and Tourism has established a Governance Committee to assist the Accounting Officer in executing his respective responsibilities concerned with risk management. The Committee operates under a terms of reference approved by the Accounting Officer. The Committee comprises of select members of the Department's senior management team. As per its terms of reference the Committee should meet 4 times a year (quarterly). The Committee meetings during the financial year under review were attended as follows:

Member	Position	Scheduled Meetings	Attended
Mr Solly Fourie	Accounting Officer (Chairperson)	4	4
Ms Mymoena Abrahams	Chief Financial Officer/ Risk Champion	4	4
Mr John Peters	CD: Integrated Economic Development Services	4	4
Ms Jo-Anne Johnston	CD: Strategic Initiatives	4	4
Mr Nigel Gwynn-Evans	CD: Trade & Sector Development	4	4
Mr Ashley Searle	Director: Business Regulation Governance	4	4
Mr Bongikhaya Dayimani	Director: Economic Planning	4	2
Ms Celeste Kriel	Director: Economic Planning (Acting)	4	1
Ms Labeeqah Schuurman	CD: Tourism, Arts & Entertainment	4	4
Ms Rahima Loghdey	Director: Skills Development and Innovation	4	2
Mr Anthony Phillips	CD: Skills Development & Innovation	4	1
Ms June Lombard	Manager: Internal Control (Secretariat: Non-voting member)	4	4

Risk management process

During the period under review, the Department of Economic Development and Tourism assessed its risks relative to its strategic and annual performance plan. Risk assessments are conducted on a strategic level on an annual basis and updated quarterly. At a programme level the risk assessments are conducted on a quarterly basis in order to review and update the existing risks and to identify emerging risks. Significant risks relevant to objectives were assessed in terms of its likelihood and impact; risk treatment plans are developed and managed by allocated risk owners. Programme risk registers are approved by the respective programme manager.

The Governance Committee ratifies, prioritises and further recommends to the Accounting Officer, which significant risks are mitigated with an appropriate risk response/treatment in order to meet the departmental strategic objectives.

3. FRAUD AND CORRUPTION

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

Various channels for reporting allegations of fraud and corruption exist and these are described in detail in the Provincial Anti-Corruption Strategy and the Departmental Fraud Prevention Plan. Each allegation received by the Forensic Investigation Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Department and generating statistics for the Province and Department. We protect employees who blow the whistle on suspicions of fraud, corruption and theft if the disclosure is a protected disclosure (i.e. not malicious). The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, their identities are kept confidential by the person to whom they are reporting.

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

During this financial year, five investigations were completed by the Forensic Investigation Unit. Two investigations confirmed fraud or corruption whilst in three instances the preliminary investigation did not confirm the allegation of fraud, theft or corruption. There were no financial losses related to any of the aforementioned cases. At the end of the financial year there were no matters on the case list of the Department.

4. MINIMISING CONFLICT OF INTEREST

Sound corporate governance is also achieved by effective conflict of interest management. The Department regards this as an important focus area within supply chain management. 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. 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.

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 shortly after 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.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

With the appointment of a dedicated Security Manager and Security Committee at the Waldorf Building, a conscious effort has been made to increase the safety measures in the Department. During 2013 the Department reviewed and updated the Business Continuity Plan to ensure compliance with contingency issues. A dedicated official has been appointed to communicate security breaches to the provincial helpdesk situated at the Department of Community Safety.

The Departmental Security Manager also represents the Department on the Western Cape Government Transversal Safety and Security Managers Forum, which monitors the implementation of security measures across departments.

The Department has implemented 90% of the recommendations of the Information Security Analysis Report of the State Security Agency.

A dedicated person was appointed to manage Occupational Health and Safety (OHS) issues in the Department. A forum consisting of representatives off all the programmes has been established to deal with all OHS issues. The appointments of all officers have been done in line with the OHS Act. All appointed officers have received training by an accredited service provider to ensure a safe working environment.

During December 2013 an evacuation drill was successfully conducted with all major stakeholders, which indicated an improvement with the ones conducted previously. A Standard Operating Procedure is in place to deal with day-to-day housekeeping and maintenance.

7. SCOPA RESOLUTIONS

The Committee noted the Auditor-General's audit opinion regarding the Department's Annual Financial Statements, receiving an unqualified audit opinion with no findings and that this represented an improvement from the 2011/12 unqualified audit opinion with findings.

The Committee congratulated the Department on the progress it has made in this regard, towards its commitment of achieving a clean audit in 2014 and beyond. To achieve this commitment and to avoid a regression in the audit outcome, the Department should urgently and sustainably address all matters raised by the Auditor-General, the Audit Committee and this Committee.

The Committee took cognisance of the fact that 60% of High Risk Areas were covered by Internal Audit, compared to 25% last year, and further notes that of the four internal audits approved for auditing during the financial year, four were actually completed.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
1.	The Committee thanked the Department for publishing its resolutions, and actions taken in this regard, in its Annual Report, but noted that this was not an accurate reflection of the oversight role exercised by the Committee, in the year under review.	The Department should publish the Committee's opening comments specific to this Department, this table of resolutions and the list of information requested by the committee, in all future Annual Reports.	The Department has included the Committee's opening comments as recommended. The Department acknowledges the invaluable role the Committee plays in oversight and governance.	Yes
2.	The Committee noted that an investigation was being conducted by the FIU at the request of the Accounting Officer to establish possible financial misconduct by employees in the procurement process during the previous year, which resulted in irregular expenditure. The investigation was still on-going at the reporting date.	The Department and the FIU should brief the Committee on progress achieved and/or the outcomes of these investigations.	A meeting between, the Committee, FIU and the Department was held on 3 March 2014 whereby the subject matter was discussed.	Yes

8. PRIOR MODIFICATIONS TO AUDIT REPORTS

Not applicable

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 2013/14 financial year the Internal Control Unit conducted special audits on Supply Chain Management project files, transfer payment project files and subsistence and travel files. As part of the recurring audits, the Internal Control Unit conducts audits on all payments, assets, leases, revenue, the interim and annual financial statements and the audit on performance information. During the year, the Internal Control Unit procured and trained all internal control staff on a computerised assisted audit tool being ACL. This tool assisted the team in selecting samples and also to conduct analytical procedures on expenditure.

In absence of a formal internal control framework which is currently being drafted by Provincial Treasury, the Internal Control Unit developed an internal control framework. This document is used as a basis for all work performed by the unit.

The unit is also the custodian and therefore manages the chief directorate's Clean Audit Action Plan – a plan developed by management as a response plan to achieve an unqualified audit. The plan comprehensively details all provincial audit findings of the previous audit cycle to ensure response strategies or processes are in place to support an effective and efficient internal control environment. In accordance with their stewardship of the plan, the Internal Control Unit monitors the implementation and progress of the actions identified in the plan part of the various control activity and compliance checks conducted within the unit.

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

The following assurance engagements were approved in the 2013/14 Internal Audit Plan.

- Human Resource Service Schedule Management
- Supply Chain Management Governance
- Sector Development
- Red Tape
- Enterprise Development

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

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

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

Name	Qualifications	Internal or External	If Internal, Position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended
Ms Judy Gunther	CIA; AGA; Masters in Cost Accounting; BCompt	External	N/a	01 January 2013	N/a	8
Mr Ronnie Kingwill	CA(SA); CTA; BCom	External	N/a	01 January 2013	N/a	8
Mr Burton van Staaden	CA(SA); Postgraduate Certificate in Auditing; CTA; BCom (Honours)	External	N/a	01 January 2012	N/a	8
Mr Kerry Larkin	CRMA; CCSA; CIA; Compt; ND:FIS	External	N/a	01 January 2013	N/a	5
Mr Francois Barnard	MComm (Tax); CA(SA); Postgrad Diploma in Auditing; CTA BCompt (Honours); BProc	External	N/a	01 January 2013	N/a	8

11. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2014.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference (approved on the 11 September 2013), as its Audit Committee Terms of Reference, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

Internal Audit followed a risk-based approach for the planning of audit work.

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

- Human Resource Service Schedule Management
- Supply Chain Management Governance
- Sector Development
- Red Tape
- Enterprise Development
- An additional IT general control review audit on CMATS audit was performed.

The areas for improvement, which were raised with the Department, are:

- Human Resource Service Schedule Management: Service schedule obligations to be implemented and monitored.
- IT General Controls on CMATS.

Corrective actions have been agreed by management and are being monitored by the Audit Committee.

The Audit Committee has considered the work of internal audit, as well as the assurance provided by the various other assurance providers such as Management, the Internal Control Unit, the Enterprise Risk Management Unit, Treasury and external audit, and nothing has come to our attention which would indicate a material breakdown in the internal control systems in the Department.

In-Year Management and Quarterly Performance Reports

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

The Audit Committee is satisfied with the content and quality of quarterly financial and performance reports, prepared and issued by the Accounting Officer of the Department during the year under review.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements as presented in the Annual Report, with the Auditor-General of South Africa and the Accounting Officer;
- reviewed the Auditor-General of South Africa's Management Report and Management's response thereto;
- reviewed changes to accounting policies and practices as reported in the annual financial statements;
- reviewed the Department's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report;
- reviewed material adjustments resulting from the audit of the Department, and
- where appropriate, recommended changes to the interim financial statements as presented by the Department for the six months ending 30 September 2013.

Internal Audit

Vacancies within the internal audit structures are receiving on-going attention and good progress is being made to fill the funded vacancies.

There were no unresolved internal audit findings.

Risk Management

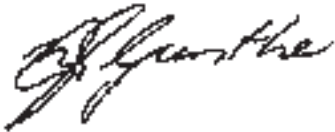
The Department has taken full responsibility and ownership for the implementation of Enterprise Risk Management (ERM). The risk reports are reviewed and updated on a quarterly basis by Management and overseen by the Audit Committee. The challenge remains to institutionalise ERM throughout the Department. The Audit Committee noted the emerging risks and will be monitoring these on a regular basis.

Auditor-General of South Africa's Report

- The Audit Committee concurs and accepts the Auditor-General of South Africa's opinion regarding the annual financial statements and proposes that the audited annual financial statements be accepted and read together with the report of the Auditor-General of South Africa.
- The Audit Committee has met with the Auditor-General of South Africa and the Department to ensure that there are no unresolved issues emanating from the regulatory audit.
- The Audit Committee has reviewed the Department's implementation plan for audit issues raised in the previous year on a quarterly basis and is satisfied that the matters have been adequately resolved.
- The Audit Committee recommended that the annual financial statements be approved by the Accounting Officer on the 11th August 2014.

Appreciation

The Audit Committee wishes to express its appreciation to the Management of the Department, the Auditor-General South Africa and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



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

Date: 15 August 2014



PART D: HUMAN RESOURCE MANAGEMENT

1. LEGISLATION THAT GOVERN HR 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 30 July 2012), the following prescripts direct Human Resource Management within the Public Service:

- **Public Service Act 1994, as 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.

- **Occupational Health and Safety Act 85 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.

- **Labour Relations Act 66 of 1995**

To regulate and guide the employer in recognising and fulfilling its role in effecting labour peace and the democratisation of the workplace.

- **Basic Conditions of Employment Act 75 of 1997**

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 97 of 1998**

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 55 of 1998**

To promote equality, eliminate unfair discrimination in employment and to ensure the implementation of employment equity measures to redress the effects of discrimination; to achieve a diverse and efficient workforce broadly representative of the demographics of the province.

- **Public Finance Management Act 1 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 9 of 1999**

To provide any public service employer in the national or provincial sphere of Government with exemption from paying a skills development levy; and for exemption from matters connected therewith.

- **Promotion of Access to Information Act 2 of 2000**

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 (PAJA) of 2000**

To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.

2. INTRODUCTION

The Value of Human Capital in the Department

Our people are the foremost contributors to the achievements of the Department and of the successes of the Western Cape Government. Service excellence depends on the wellbeing of our organisation and its people. Hence, we:

- value people who act with integrity, and are engaged, caring, competent, accountable and responsive;
- see people management to be the responsibility of everyone;
- ground the management of our people in the principles of dignity, respect, transparency and equity;
- grow, develop, empower and enable our people to reach and use their full potential;
- embrace diversity and have a deep respect for one another's culture, individuality, language, values and beliefs.

Overview of HR matters at the Department

Human resources (people) are a key element in achieving the strategic objectives of the Department. Therefore human resource planning **aims to ensure that the Department has the right people, with the right skills, at the right place at the right time, all the time**. The Department's strategic planning cycle precedes the HR planning process where the latter process, among other things, links to the departmental skills development, recruitment, retention and affirmative action strategies.

The strategic HR Plan was developed and implemented for the period **1 April 2013 to 31 March 2018**. The HR Plan is reviewed annually to determine whether the human resource strategic

objectives are still valid and address the HR priorities in the Department. Bi-annual progress reports monitor the implementation of the key activities contained within the HR Plan and are submitted to DPSA as directed.

Workforce planning can be defined as an inclusive and dynamic process that involves the identification of both current and future human resource needs as well as potential challenges in order for the Department to consistently achieve its departmental strategic objectives.

Set HR priorities for the year under review and the impact of these priorities

After analysing the current workforce profile and the future demand, the following HR priorities were identified:

NO.	HR PRIORITY	IMPACT
1	Training and Development	To create a learning organisation with a focus on scarce and critical skills. Availability of a pool of competent employees ready to fill vacant positions.
2	Recruitment and Selection	Reduced timeframes to fill advertised posts. Reduced vacancy rate and more efficient recruitment and selection process. The Department recognised as an “employer of choice”.
3	Employment Equity and Diversity Management	A diverse workforce with equal opportunities for all.
4	Succession Planning and Career Management	To ensure the availability of a pipeline of successors for key or critical positions. Succession planning ensures continuity of organisational success.
5	Retention	A consistent and stable workforce.

Workforce Planning Framework and key strategies to attract and recruit a skilled and capable workforce

Without human resources (people), the Department cannot deliver an optimum service and without an adequate budget, they cannot recruit, develop and retain people needed to deliver optimum services.

The challenges facing the Department have been identified. These challenges have been addressed by identifying key activities which have been incorporated into the action plan.

The following are some of the main key activities as set out in the action plan:

No.	Key Activities
1	<p>Training and Development</p> <p>Structured mentoring and coaching programmes to be implemented.</p> <p>Conduct training needs analysis to determine skills/competencies shortages, as well the alignment with the departmental Risk Register and the risks identified.</p> <p>The co-ordination by the Departmental Training Committee on all training gaps and development interventions and include monitoring and reporting to the Departmental Top Management structure on an on-going basis.</p>

No.	Key Activities
2	<p>Recruitment and Selection</p> <p>Implement measures to reduce the turn-around time for filling of permanent posts e.g. E-recruitment, Recruitment Plan, internal recruitment, etc.</p> <p>All new appointees to attend induction within the first month of appointment, as well as review and implement the On-Boarding Programme, which should have a strong focus on change navigation, values, mentoring and skills development.</p> <p>Introduction of entry interviews on new appointments on MMS and also for specialised and critical skills occupations.</p>
3	<p>Employment Equity and Diversity Management</p> <p>Focus recruitment and development initiatives towards reaching the numerical goals, in particular to address under-representation on all salary levels and in all directorates.</p> <p>Introduce AA measures in the EE Plan (establishing partnerships with Disability organisations/networks) in order to create a pool of PWD's and Women in MMS to be eligible for promotion to SMS posts when a vacancy arises.</p>
4	<p>Succession Planning and Career Management</p> <p>Retirement and exit planning to ensure skills and knowledge transfer (e.g. in documentary form) in high risk groups (e.g. youth - younger than 35, scarce and critical occupations and anticipated retiring employees, including HOD/SMS).</p> <p>Explore the possibility of identifying an exit companion where employees are nearing retirement age, with a view to preserve institutional memory and to transfer, both concrete and tacit knowledge.</p>
5	<p>Retention</p> <p>Implement retention measures as per the transversal Retention Strategy.</p> <p>Investigate the exit interview process with a view to enhancing its credibility and identifying skills lost to the Department.</p>

It is expected that the departmental management and the Corporate Service Centre takes joint responsibility for the execution of the action plans, as well as ownership for delivering the necessary outcomes.

Employee Performance Management Framework

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

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

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

This system sets the framework in which both the employer and employee can equally realise their goals and objectives to ensure the achievement of PSO 12, namely being the best-run regional government in the world.

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. HUMAN RESOURCES 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). In particular, it provides an indication of the amount spent on personnel in terms of each of the programmes or salary bands within the Department.

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 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 in subsequent tables.

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

Table 3.1.1: Personnel expenditure by programme, 2013/14

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
Programme 1	33 249	17 542	906	12 846	52.76	231	76
Programme 2	50 007	17 322	446	12 861	34.64	340	51
Programme 3	124 240	18 767	108	21 042	15.11	391	48
Programme 4	41 481	7 574	376	2 881	18.26	176	43
Programme 5	34 690	9 700	34	11 096	27.96	255	38
Programme 6	47 554	12 500	1 039	4 513	26.29	329	38
Programme 7	36 158	7 386	72	13 605	20.43	369	20
TOTAL	367 379	90 791	2 981	78 844	24.71	289	314

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

Table 3.1.2: Personnel expenditure by salary bands, 2013/14

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)	5 110	5.6	81	63
Skilled (Levels 3-5)	14 681	16.2	312	47
Highly skilled production (Levels 6-8)	21 758	24.0	269	81
Highly skilled supervision (Levels 9-12)	42 137	46.5	405	104
Senior management (Levels 13-16)	6 916	7.6	364	19
TOTAL	90 602	100.0	289	314

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

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

Table 3.1.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2013/14

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing allowance as a % of personnel expenditure	Amount	Medical assistance as a % of personnel expenditure
	(R'000)		(R'000)		(R'000)		(R'000)	
Programme 1	11 846	13.1	224	0.2	292	0.3	589	0.7
Programme 2	11 765	13.0	0	0.0	237	0.3	394	0.4
Programme 3	12 528	13.8	0	0.0	236	0.3	263	0.3
Programme 4	7 383	8.1	0	0.0	131	0.1	260	0.3
Programme 5	6 642	7.3	0	0.0	168	0.2	176	0.2
Programme 6	8 529	9.4	7	0.007	311	0.3	341	0.4
Programme 7	5 082	5.6	0	0.0	38	0.04	120	0.1
TOTAL	63 775	70.4	231	0.3	1 413	1.6	2 143	2.4

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure which appears in Table 3.1.2 above. Furthermore, the table does not make provision for other expenditure such as Pensions, Bonus and other allowances which make up the total personnel expenditure. Therefore, Salaries, Overtime, Housing Allowance and Medical Assistance amount to 74.5% of the total personnel expenditure.

Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary bands, 2013/14

Salary Band	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing allowance as a % of personnel expenditure	Amount	Medical assistance as a % of personnel expenditure
	(R'000)		(R'000)		(R'000)		(R'000)	
Lower skilled (Levels 1-2)	1 876	2.1	0	0.0	11	0.01	0	0.0
Skilled (Levels 3-5)	5 004	5.5	20	0.02	264	0.3	458	0.5
Highly skilled production (Levels 6-8)	13 513	14.9	155	0.2	414	0.5	790	0.9
Highly skilled supervision (Levels 9-12)	34 430	38.0	56	0.1	453	0.5	815	0.9
Senior management (Levels 13-16)	8 951	9.9	0	0.0	272	0.3	81	0.1
TOTAL	63 774	70.4	231	0.3	1 414	1.6	2 144	2.4

Note: The totals of table 3.1.3 and 3.1.4 do balance, however, due to the fact that the data is grouped by either programme or salary band and that it is rounded off to thousands they reflect differently.

3.2 Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the percentage of vacant posts, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme (Table 3.2.1), salary band (Table 3.2.2) and critical occupations (Table 3.2.3). Departments have identified critical occupations that need to be monitored. Table 3.2.3 provides establishment and vacancy information for the key critical occupations of the Department.

Table 3.2.1: Employment and vacancies by programme, as at 31 March 2014

Programme	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy rate taking additional staff into account
Programme 1	65	43	33.8	10	18.5
Programme 2	44	36	18.2	3	11.4
Programme 3	29	26	10.3	10	0
Programme 4	23	18	21.7	6	0
Programme 5	27	15	44.4	4	29.6
Programme 6	36	26	27.8	4	11.1
Programme 7	21	14	33.3	4	19.0
TOTAL	245	178	27.3	41	10.6

Table 3.2.2: Employment and vacancies by salary bands, as at 31 March 2014

Salary Band	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy rate taking additional staff into account
Lower skilled (Levels 1-2)	2	1	50.0	2	0
Skilled (Levels 3-5)	42	33	21.4	11	0
Highly skilled production (Levels 6-8)	70	51	27.1	11	11.4
Highly skilled supervision (Levels 9-12)	111	79	28.8	15	15.3
Senior management (Levels 13-16)	20	14	30.0	2	20.0
TOTAL	245	178	27.3	41	10.6

Note: The information in each case reflects the situation as at 31 March 2014. For an indication of changes in staffing patterns over the year under review, please refer to section 3.4 of this report.

Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2014

Critical Occupations	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy rate taking additional staff into account
None					

3.3 Job Evaluation

The Public Service Regulations, 2001 as amended, introduced post evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any post in his or her organisation.

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 2013 to 31 March 2014

Salary Band	Total number of posts	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	% of number of posts	Number	% of number of posts
Lower skilled (Levels 1-2)	2	0	0.0	0	0.0	0	0.0
Skilled (Levels 3-5)	42	1	0.4	0	0.0	0	0.0
Highly skilled production (Levels 6-8)	70	3	1.2	0	0.0	0	0.0
Highly skilled supervision (Levels 9-12)	111	2	0.8	8	3.3	0	0.0
Senior Management Service Band A (Level 13)	14	2	0.8	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	5	1	0.4	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	1	0	0.0	0	0.0	0	0.0
TOTAL	245	9	3.7	8	3.3	0	0.0

Note: Existing Public Service policy requires departments to subject specifically identified posts (excluding Educator and OSD [occupation-specific dispensation] posts) to a formal job evaluation process. These include newly created posts, as well as posts where the job content has changed significantly. This job evaluation process determines the grading and salary level of a post. The majority of posts on the approved establishment were evaluated during previous reporting years, and the job evaluation results are thus still applicable.

Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2013 to 31 March 2014

Beneficiaries	African	Indian	Coloured	White	Total
Female	1	0	2	0	3
Male	1	0	3	1	5
TOTAL	2	0	5	1	8
Employees with a disability					0

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation (including higher notches awarded). 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 race group, 1 April 2013 to 31 March 2014

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
Chief Director	1	14		5 notch increment	Attraction
Deputy Director	1	11		6 notch increment	Attraction
Deputy Director	1	11		11 notch increment	Attraction
Total number of employees whose salaries exceed the level determined by job evaluation (including awarding of higher notches) in 2013/14			3		
Percentage of total employment			1.4		

Table 3.3.4: Employees who have been granted higher salaries than those determined by job evaluation per race group, 1 April 2013 to 31 March 2014

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	1	1	2
Male	0	0	1	0	1
TOTAL	0	0	2	1	3
Employees with a disability				0	

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 occupations (Table 3.4.2).

Table 3.4.1: Annual turnover rates by salary band, 1 April 2013 to 31 March 2014

Salary Band	Number of employees as at 31 March 2013	Turnover rate 2012/13	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2013/14
Lower skilled (Levels 1-2)	3	25.0	0	0	0	0	0.0
Skilled (Levels 3-5)	43	22.0	7	1	2	0	4.7
Highly skilled production (Levels 6-8)	57	22.1	13	5	7	1	14.0
Highly skilled supervision (Levels 9-12)	96	18.6	10	1	9	1	10.4
Senior Management Service Band A (Level 13)	11	9.1	1	0	1	1	18.2
Senior Management Service Band B (Level 14)	4	0.0	0	1	0	0	0.0
Senior Management Service Band C (Level 15)	2	0.0	0	0	1	0	50.0
TOTAL	216	19.4	31	8	20	3	10.6
			39		23		

Note: A transfer is when a Public Service official moves from one department to another, on the same salary level.

Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2013 to 31 March 2014

Critical Occupation	Number of employees as at 31 March 2013	Turnover rate 2012/13	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2013/14
None							

Table 3.4.3: Staff leaving the employ of the department, 1 April 2013 to 31 March 2014

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2013
Death	1	4.3	0.5
Resignation *	11	47.8	5.1
Expiry of contract	6	26.1	2.8
Retirement	2	8.7	0.9
Transfers to other Public Service departments	3	13.0	1.4
TOTAL	23	100	10.6

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

* Resignations are further discussed in tables 3.4.4 and 3.4.5.

Table 3.4.4: Reasons why staff resigned, 1 April 2013 to 31 March 2014

Resignation Reasons	Number	% of total resignations
Better remuneration	6	54.5
Insufficient progression possibilities	1	9.1
Other occupation	1	9.1
No reason	3	27.3
TOTAL	11	100

Table 3.4.5: Different age groups of staff who resigned, 1 April 2013 to 31 March 2014

Age group	Number	% of total resignations
Ages 25 to 29	2	18.2
Ages 30 to 34	2	18.2
Ages 35 to 39	2	18.2
Ages 40 to 44	2	18.2
Ages 45 to 49	1	9.1
Ages 50 to 54	1	9.1
Ages 55 to 59	1	9.1
TOTAL	11	100

Table 3.4.6 Employee initiated severance packages, 1 April 2013 to 31 March 2014

Total number of employee initiated severance packages in 2013/14	None
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Table 3.4.7: Promotions by salary band, 1 April 2013 to 31 March 2014

Salary Band	Employees as at 31 March 2013	Promotions to another salary level	Promotions as a % of employees	Progressions to another notch within a salary level	Notch progressions as a % of employees
Lower skilled (Levels 1-2)	3	0	0.0	3	100
Skilled (Levels 3-5)	43	1	2.3	28	65.1
Highly skilled production (Levels 6-8)	57	0	0.0	40	70.2
Highly skilled supervision (Levels 9-12)	96	4	4.2	64	66.7
Senior management (Levels 13-16)	17	0	0.0	11	64.7
TOTAL	216	5	2.3	146	67.6

Table 3.4.8: Promotions by critical occupation, 1 April 2013 to 31 March 2014

Critical Occupation	Employees as at 31 March 2013	Promotions to another salary level	Promotions as a % of employees	Progressions to another notch within a salary level	Notch progressions as a % of employees
None					

3.5 Employment Equity

The information provided in this section depicts the Department's demographic composition by race, gender and disability, as required by the Employment Equity Act and the Department of Public Service and Administration. Positions in our post establishment require various academic qualifications such as a Senior Certificate, technical qualification or graduate and post-graduate degrees, as well as certain competency levels. The Employment Equity Act states that in determining whether designated groups are equitably represented within an occupational category and level in an employer's workforce a number of factors must be taken into account including, the pool of suitably qualified people from designated groups from which the employer may reasonably be expected to promote or appoint employees. The figures presented in this section do not take these factors into account and do not reflect the fact that the population statistics provided by the 2011 Census reveal that a very small percentage of the Western Cape population have Matric and tertiary qualifications, which constitute the pool of "suitably qualified people" from which the Western Cape Government can employ staff (as specified by the Employment Equity Act and Public Service Regulations). The Department is continuing to invest in measures to broaden the pool of suitably qualified people who can compete for its employment opportunities to broaden its equitable representation in all occupational categories and levels in the workforce.

Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2014

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	1	0	0	0	0	0	0	0	0	1
Senior management (Levels 13-14)	1	6	0	2	1	4	1	0	0	0	15
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	6	25	1	5	6	35	3	11	2	0	94
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	10	14	0	0	15	19	1	3	0	0	62
Semi-skilled and discretionary decision making (Levels 3-5)	4	2	1	1	7	26	0	3	0	0	44
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	1	1	0	0	0	0	3
TOTAL	21	49	2	8	30	85	5	17	2	0	219
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	21	49	2	8	30	85	5	17	2	0	219

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

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

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

Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2014

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	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	1	0	0	0	0	1
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	1	0	0	0	1	1	0	0	0	3
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	0	1	0	0	0	1	1	0	0	0	3

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

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

Table 3.5.3: Recruitment, 1 April 2013 to 31 March 2014

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	2	0	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	4	0	0	0	3	1	2	1	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	6	2	0	0	3	6	1	0	0	0	18
Semi-skilled and discretionary decision making (Levels 3-5)	0	1	0	1	1	5	0	0	0	0	8
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
TOTAL	6	9	0	1	4	14	2	2	1	0	39
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	6	9	0	1	4	14	2	2	1	0	39

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

Note: Recruitment refers to new employees, including transfers into the Department, as per Table 3.4.1.

Table 3.5.4: Promotions, 1 April 2013 to 31 March 2014

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	2	0	0	0	1	0	1	0	0	4
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	1	0	0	0	0	1
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	2	0	0	0	2	0	1	0	0	5
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	0	2	0	0	0	2	0	1	0	0	5

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

Note: Promotions refer to the total number of employees promoted within the Department, as per Table 3.4.7.

Table 3.5.5: Terminations, 1 April 2013 to 31 March 2014

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	1	0	0	0	0	0	0	0	0	1
Senior management (Levels 13-14)	1	0	0	0	1	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	4	0	2	1	2	0	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	1	2	0	0	0	4	0	1	0	0	8
Semi-skilled and discretionary decision making (Levels 3-5)	1	0	0	0	0	1	0	0	0	0	2
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
TOTAL	4	7	0	2	2	7	0	1	0	0	23
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	4	7	0	2	2	7	0	1	0	0	23

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

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

Table 3.5.6: Disciplinary actions, 1 April 2013 to 31 March 2014

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Suspension without pay + FWW	0	2	0	0	0	2	0	0	0	0	4
Case Withdrawn	0	0	0	0	0	1	0	0	0	0	1
TOTAL	0	2	0	0	0	3	0	0	0	0	5

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 types of misconduct addressed at disciplinary hearings, please refer to Tables 3.12.2 and Table 3.12.3.

Table 3.5.7: Skills development, 1 April 2013 to 31 March 2014

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	1	1	0	0	0	1	1	0	4
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	6	19	0	3	5	25	2	8	68
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	8	13	0	0	14	19	0	3	57
Semi-skilled and discretionary decision making (Levels 3-5)	9	8	1	1	9	38	0	2	68
Unskilled and defined decision making (Levels 1-2)	1	0	0	0	0	0	0	0	1
TOTAL	25	41	1	4	28	83	3	13	198
Temporary employees	0	0	0	0	0	0	0	0	0
GRAND TOTAL	25	41	1	4	28	83	3	13	198

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

Note: The above table refers to the total number of personnel who received training, and not the number of training courses attended by individuals. For further information on the actual training provided, please 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 2013

SMS Level	Number of funded 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
Director-General/ Head of Department	1	1	1	100
Salary level 16, but not HOD	0	0	0	0.0
Salary Level 15	0	1	1	100
Salary Level 14	4	4	4	100
Salary Level 13	12	11	11	100
TOTAL	17	17	17	100

Note: The allocation of performance-related rewards (cash bonus) for Senior Management Service members is dealt with later in the report. Please refer to Table 3.8.5.

Table 3.6.2: Reasons for not having concluded Performance Agreements with all SMS on 31 May 2013

Reasons for not concluding Performance Agreements with all SMS
Not applicable

Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2013

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
Not applicable

3.7 Filling of SMS Posts

Table 3.7.1: SMS posts information, as at 30 September 2013

SMS Level	Number of funded 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	100.00	0	0.00
Salary Level 14	4	4	100.00	0	0.00
Salary Level 13	12	8	66.67	4	33.33
TOTAL	17	13	76.47	4	23.53

Table 3.7.2: SMS posts information, as at 31 March 2014

SMS Level	Number of funded 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	100.00	0	0.00
Salary Level 14	5	5	100.00	0	0.00
Salary Level 13	14	8	57.14	6	42.86
TOTAL	20	14	70.00	6	30.00

Table 3.7.3: Advertising and Filling of SMS posts, as at 31 March 2014

SMS Level	Advertising Number of vacancies per level advertised in 6 months of becoming vacant	Filling of Posts	
		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 14	0	1	0
Salary Level 13	2	0	0
TOTAL	2	1	0

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

SMS Level	Reasons for non-compliance
Director-General/ Head of Department	
Salary level 16, but not HOD	
Salary Level 15	
Salary Level 14	
Salary Level 13	<p>Director: Enterprise Development Newly created post and was advertised outside the timeframe. After assessing the applications it was decided to embark on a re-advertising process as the number of suitable candidates were limited. The process for re-advertising however was finalised and filled with effective date 09 December 2013.</p> <p>Director: Economic Empowerment Newly created structure. The advertising of the post is held in abeyance because of possible further changes to the job description.</p> <p>Director: Commercial Arts and Entertainment Newly created structure. The advertising of the post is held in abeyance because of possible further changes to the job description.</p> <p>Director: Economic Development Integration Newly created structure. The advertising of the post is held in abeyance because of possible further changes to the job description.</p> <p>Director: Skills Strategy Stakeholder Management & Skills Secretariat Newly created structure. The advertising of the post is held in abeyance because of possible further changes to the job description.</p>

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 within 12 months
None

3.8. Employee Performance

Table 3.8.1: Notch progressions by salary band, 1 April 2013 to 31 March 2014

Salary Band	Employees as at 31 March 2013	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
Skilled (Levels 3-5)	43	28	65.1
Highly skilled production (Levels 6-8)	57	40	70.2
Highly skilled supervision (Levels 9-12)	96	64	66.7
Senior management (Levels 13-16)	17	11	64.7
Total	216	146	67.6

Table 3.8.2: Notch progressions by critical occupation, 1 April 2013 to 31 March 2014

Critical Occupations	Employees as at 31 March 2013	Progressions to another notch within a salary level	Notch progressions as a % of employees by critical occupation
None			

To encourage good performance, the Department has granted the following performance rewards allocated to personnel for the performance period 2011/12, but paid in the financial year 2013/14. 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 2013 to 31 March 2014

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2013	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	5	47	10.6	94	18 841
Male	3	20	15.0	65	21 662
Female	2	27	7.4	29	14 609
Coloured	43	132	32.6	1 119	26 026
Male	18	50	36.0	465	25 815
Female	25	82	30.5	654	26 178
Indian	0	5	0.0	0	0
Male	0	2	0.0	0	0
Female	0	3	0.0	0	0
White	5	29	17.2	138	27 602
Male	1	11	9.1	35	34 569
Female	4	18	22.2	103	25 860
Employees with a disability	2	3	66.7	44	22 242
TOTAL	55	216	25.5	1 395	25 378

Note: The above table relates to performance rewards for the performance year 2012/13 and payment effected in the 2013/14 reporting period.

Table 3.8.4: Performance rewards by salary bands for personnel below Senior Management Service level, 1 April 2013 to 31 March 2014

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2013	% 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	3	33.3	5	5 258	0.01
Skilled (Levels 3-5)	4	43	9.3	36	8 910	0.05
Highly skilled production (Levels 6-8)	16	57	28.1	262	16 395	0.3
Highly skilled supervision (Levels 9-12)	28	96	29.2	740	26 415	1.0
TOTAL	49	199	24.6	1 043	21 282	1.4

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

Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 01 April 2013 to 31 March 2014

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2013	% 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)	0	11	0.0	0	0	0.0
Senior Management Service Band B (Level 14)	5	4	125.0	298	59 668	2.0
Senior Management Service Band C (Level 15)	1	2	50.0	55	54 638	0.4
Senior Management Service Band D (Level 16)	0	0	0.0	0	0	0.0
TOTAL	6	17	35.3	353	58 830	2.4

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

Table 3.8.6: Performance rewards by critical occupations, 1 April 2013 to 31 March 2014

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2013	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
None						

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 3.9.1: Foreign Workers by salary band, 1 April 2013 to 31 March 2014

Salary Band	1 April 2013		31 March 2014		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	2	100.0	1	50.0
Senior management (Levels 13-16)	0	0.0	0	0.0	0	0.0
TOTAL	1	100.0	2	100.0	1	50.0

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 2013 to 31 March 2014

Major Occupation	1 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% change
ASD: RESEARCH	1	100.0	1	50.0	0	0.0
ASSISTANT DIRECTOR	0	0.0	1	50.0	1	100.0
TOTAL	1	100.0	2	100.0	1	50.0

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 2013 to 31 December 2013

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. 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 cases, the estimated cost of the leave is also provided.

Table 3.10.1: Sick leave, 1 January 2013 to 31 December 2013

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)	19	26.3	3	13	23.1	6	5
Skilled Levels 3-5)	275	82.2	47	45	104.4	6	121
Highly skilled production (Levels 6-8)	356	78.4	71	73	97.3	5	289
Highly skilled supervision (Levels 9-12)	477	75.3	105	95	110.5	5	645
Senior management (Levels 13-16)	55	81.8	19	19	100.0	3	117
TOTAL	1 182	77.3	245	245	100.0	5	1 177

Note: The three-year sick leave cycle started in January 2010. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, please refer to Table 3.10.2.

Table 3.10.2: Incapacity leave, 1 January 2013 to 31 December 2013

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	13	0.0	0	0
Skilled Levels 3-5)	0	0.0	0	45	0.0	0	0
Highly skilled production (Levels 6-8)	0	0.0	0	73	0.0	0	0
Highly skilled supervision (Levels 9-12)	0	0.0	0	95	0.0	0	0
Senior management (Levels 13-16)	0	0.0	0	19	0.0	0	0
TOTAL	0	0.0	0	245	0.0	0	0

Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his or her normal sick leave, the employer must conduct an investigation into the nature and extent of the employee's incapacity. Such investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the employer's discretion, as provided for in the Leave Determination and Policy on Incapacity Leave and Ill-Health Retirement (PILIR).

Table 3.10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Commission Bargaining Chamber (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave having to be paid at the time of termination of service.

Table 3.10.3: Annual Leave, 1 January 2013 to 31 December 2013

Salary Band	Total days taken	Total number employees using annual leave	Average days per employee
Lower skilled (Levels 1-2)	49	4	12
Skilled (Levels 3-5)	673	45	15
Highly skilled production (Levels 6-8)	1 159	68	17
Highly skilled supervision (Levels 9-12)	1 941	105	18
Senior management (Levels 13-16)	367	17	22
TOTAL	4 189	239	18

Table 3.10.4: Capped leave, 1 January 2013 to 31 December 2013

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.

Salary Band	Total capped leave available as at 31 Dec 2012	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 2013	Total capped leave available as at 31 Dec 2013
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	13	0	0	0	0	0
Highly skilled production (Levels 6-8)	54	0	0	0	6	45
Highly skilled supervision (Levels 9-12)	488	3	1	3	17	386
Senior management (Levels 13-16)	17	0	0	0	4	93
TOTAL	572	3	1	3	27	525

Table 3.10.5 summarises payments made to employees as a result of leave that was not taken.

Table 3.10.5: Leave pay-outs, 1 April 2013 to 31 March 2014

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs for 2013/14 due to non-utilisation of leave for the previous cycle	77	4	19 302
Capped leave pay-outs on termination of service for 2013/14	0	0	0
Current leave pay-outs on termination of service 2013/14	24	1	23 911
TOTAL	101	5	20 224
		5	

3.11. HIV/Aids & Health Promotion Programmes

Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2013 to 31 March 2014

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 sessions were conducted in general. The outsourced Health and Wellness contract (Employee Health and Wellness Programme [EHWP]) provides employees and their immediate family members (it means the spouse or partner of an employee or children living with an employee) 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 (6 + 2 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 and HIV and AIDS Programmes, 1 April 2013 to 31 March 2014

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 is the Director: Organisational Behaviour, (Department of the Premier). She fulfilled this role due to the corporatisation of the Employee Health and Wellness function.
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to eleven (11) participating departments, including the Department of the Premier.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and wellbeing of employees in the eleven (11) departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors and four (4) Wellness Practitioners.</p> <p>Budget : R2 million</p>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	√		<p>The Department has entered into a service level agreement with ICAS [Service Provider] to render an Employee Health and Wellness Service to the eleven client departments of the Corporate Services Centre [CSC].</p> <p>The Department conducted interventions namely, Management Consultancy, Employee Induction, Stress Management, Abuse and Sexual Health Awareness, Work Life Balance, Employee Advocacy Awareness, Personal Finance, Managerial Referral, Substance Abuse, Financial Wellbeing, Juicy Parenting, Re-Strung and Coaching for employees. 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 2013/14. The reports were based on the utilisation of the EHW services and management information in order to target appropriate interventions to address these trends.</p> <p>The targeted interventions were aimed at improving employee engagement through awareness and educational interventions that promote healthy lifestyles and coping skills. This involves presentations to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. The above-mentioned interventions were conducted for the targeted departments, managers and supervisors as well as executive coaching for SMS members.</p> <p>The Department also provided information sessions, as requested by various departments in the Western Cape Government (WCG) to inform employees of the EHW service, how to access the Employee Health and Wellness Programme (EHWP). Promotional material such as pamphlets, posters and brochures were distributed.</p>

Question	Yes	No	Details, if yes
<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>	√		<p>A new Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>Committee members are:</p> <p>Agriculture: M Ferreira and H Jordaan (DJ)</p> <ul style="list-style-type: none"> • Community Safety: A Brink; Simon Sekwadi & C Coetzee • Cultural Affairs: S Julies & D Flandorp • Economic Development & Tourism: C Julies & P Martin • Environmental Affairs & Development Planning: M Kroese & P Cloete • Health: S Newman & C Van Willing • Human Settlements: J Roberts & LL Groenewald • Local Government: F Matthee & K Adams • Department of the Premier: R Shade & N Norushe • Provincial Treasury: D Sass & S Sixubane • Social Development: T Mtheku; & M Robinson • Transport & Public Works: C Marx & Zinnia De Monk • Western Cape Education: M Cronje and C Le Roux
<p>5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	√		<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>DPSA has developed several national policy documents in 2007/8 that govern Employee Health and Wellness (EHW) in the Public Service and that coordinate the programmes and services in a uniform manner.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>During the period under review, the Department of the Premier has developed a Transversal Employee Health and Wellness policy. The draft document is being consulted for ratification.</p> <p>Further to this, the Department of Health has currently approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that will be applicable to all departments of the Western Government. The document is in line with the four pillars of the EHW Strategic Framework 2008.</p>
<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>	√		<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 Zero's 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

Question	Yes	No	Details, if yes
			<p>Also, the Department is conducting the HCT and Wellness screening sessions to ensure that every employee in the CSC Departments of the Western Cape Government 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 Employee Relations Directorate addresses complaints or grievances and provides training to employees. • Other key elements that addressed anti HIV/AIDS discrimination issues were: Wellness Screenings and TB Testing Sessions with specific requests from departments were conducted, posters and pamphlets were distributed, HIV/AIDS counselling (HCT) and TB Testing were conducted, condom programme and spot talks, (including HIV/AIDS speak out programme) were conducted as well.
7. Does the Department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have you achieved.	√		<p>HCT SESSIONS:</p> <p>The following screening sessions were conducted: Blood pressure, Glucose, Cholesterol, TB, BMI (body mass index) and spot talks.</p> <p>The Department of Economic Development and Tourism participated in 3 HCT and Wellness screening sessions.</p> <p>84 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STIs). 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 EAP service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by the External Service Provider. The most recent annual health review period was 1 April 2013 - 2014.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, no. of cases.</p> <p>The review further provides amongst others service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the work place.</p>

3.12 Labour Relations

The following collective agreements were entered into with trade unions within the Department.

Table 3.12.1: Collective agreements, 1 April 2013 to 31 March 2014

Total collective agreements	None
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Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2: Misconduct and disciplinary hearings finalised, 1 April 2013 to 31 March 2014

Outcomes of disciplinary hearings	Number	% of total
Resignation/Withdrawal	1	11.1
Suspension without a salary	4	44.4
Final Written Warning	4	44.4
TOTAL	9	100
Percentage of total employment		2.9

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

Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2013 to 31 March 2014

Type of misconduct	Number	% of total
Dishonesty	1	20
Financial Irregularities	4	80
TOTAL	5	100

Table 3.12.4: Grievances lodged, 1 April 2013 to 31 March 2014

Grievances lodged	Number	% of total
Number of grievances resolved	0	0
Number of grievances not resolved	1	100
Total number of grievances lodged	1	100

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 2013 to 31 March 2014

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	1	100
Total number of disputes lodged	1	100

Note: Councils refer to the Public Service Coordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC).

Table 3.12.6: Strike actions, 1 April 2013 to 31 March 2014

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 2013 to 31 March 2014

Note: Precautionary suspensions refer to staff being suspended with pay whilst the case is being investigated.

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

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 2013 to 31 March 2014

Occupational Categories	Gender	Number of employees as at 1 April 2013	Training needs identified at start of reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	10	0	10
	Male	10	0	5	0	5
Professionals	Female	10	0	67	0	67
	Male	7	0	55	0	55
Technicians and associate professionals	Female	55	0	70	0	70
	Male	37	0	34	0	34
Clerks	Female	57	0	39	0	39
	Male	24	0	13	0	13
Service and sales workers	Female	1	0	2	0	2
	Male	1	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	2	0	0	0	0
	Male	1	0	0	0	0
Sub Total	Female	134	0	188	0	188
	Male	81	0	107	0	107
TOTAL		215	0	295	0	295
Employees with disabilities	Female	2	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 2013 to 31 March 2014

Occupational Categories	Gender	Number of employees as at 31 March 2014	Training provided within the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	3	0	3
	Male	10	0	3	0	3
Professionals	Female	9	0	56	0	56
	Male	9	0	39	0	39
Technicians and associate professionals	Female	70	0	48	0	48
	Male	39	0	29	0	29
Clerks	Female	71	0	49	0	49
	Male	31	0	29	0	29
Service and sales workers	Female	0	0	0	0	0
	Male	1	0	7	0	7
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	1	0	0	0	0
Sub Total	Female	160	0	156	0	156
	Male	92	0	107	0	107
TOTAL		252	0	263	0	263
Employees with disabilities	Female	2	0	0	0	0
	Male	1	0	0	0	0

Note: The above table identifies the number of training courses attended by individuals during the period under review.

3.14 Injury on Duty

Table 4.14.1 provides basic information on injury on duty.

Table 3.14.1: Injury on duty, 1 April 2013 to 31 March 2014

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary disablement	3	100
Permanent disablement	0	0
Fatal	0	0
TOTAL	3	100
Percentage of total employment		1

3.15 Utilisation of Consultants

Table 3.15.1: Report on consultant appointments using appropriated funds, 1 April 2013 to 31 March 2014

Pro-gramme	Consulting Firm	Project Title	Total Number of Consultants that worked on the Project	Duration: Period Of Contract	BBBEE Rating	Contract Value In Rand R
1	Sizwentsalubagobodo	IT Audit C-mats	4	Feb 2014 - Mar 2014	2	121 524.00
2	RW Key	Legacy Mentorship	1	Nov 2012 - Dec 2012	0	2 475.00
	Signature Tourism	Legacy Mentorship	1	Nov 2012 - Feb 2013	0	925.00
	Mind The Gap Enterprise	Legacy Mentorship	1	Nov 2012 - Feb 2013	0	5 000.00
	Sizwentsalubagobodo	BBBEE Verification	4	Feb 2013 - Mar 2013	2	70 623.87
	Siyakha Consulting	Legacy Mentorship	1	Nov 2012 - Feb 2013	1	19 500.00
	Small Business Projects	Regulatory Impact Assessment	2	Apr 2013 - Apr 2014	4	98 838.00
	Mthente Research	RIA Phase 2	5	Jul-Oct 2013	4	93 502.16
	Water Berry Trading	School Entrepreneurship Conference	Not Indicated	Jul 2013 - Aug 2013	0	278 600.00
	Traction Consulting	Adjudicator: Era	3	Jun 2013 - Sep 2013	0	302 155.00
	UWC	Graduate Technology Programme	16	Jun 2013 - 30 Sep 2013	0	175 444.00
	Sizwentsalubagobodo	BBBEE Verification	4	Feb 2013 - Sep 2013	2	70 676.13
	SAMFA Research Solutions	Econ Dev Research Project: Nyanga	5	Aug 2013 - Sep 2013	3	80 000.00
	Bee Empowered & Labour Consulting	BBBEE Verification	1	Jul 2013 - 31 Dec 2013	1	195 000.00
	University Of Stellenbosch	Student Business Plan Competition	7	Aug 2013- Oct 2013	0	100 000.00
	African Kaleidoscope	Era: Events Manager	7	Sep-Oct 2013	2	369 937.43
	Hs Business Solutions	Innovate Western Cape	1	Aug 2013- Feb 2014	4	299 000.00
	Buyolo Business Advisory	EDEW	4	Sep 2013	3	11 000.00
	Buyolo Business Advisory	EDEW	4	Sep 2013	3	11 500.00
Buyolo Business Advisory	EDEW	4	Sep 2013	3	11 500.00	

Pro-gramme	Consulting Firm	Project Title	Total Number of Consultants that worked on the Project	Duration: Period Of Contract	BBBEE Rating	Contract Value In Rand R
	Ulwazi Business Management	EDEW	5	Sep 2013	3	13 377.19
	Stone Soup Development	Competitive-ness Improvement Project	5	Sep 2013 - Dec 2013	4	495 825.00
	Third Quarter Technologies	Red Tape Portal	2	Aug 2013 - Nov 2013	1	372 324.00
	SA Businessowner & Co	Small Business Connect Newspaper	2	Oct 2013 - Feb 2014	3	299 136.00
	JD Lawson	PACA Project	1	Oct 2013 - Feb 2014	4	485 600.00
	African Kaleidoscope	Local Content Open Day	Not Indicated	Nov 2013	2	55 301.10
	Hs Business Solutions	Atlantis Marketing Plan	6	Nov 2013 - Dec 2013	4	70 250.00
	Paragon Premium	WCEW	5	Nov 2013	3	8 970.00
	Paragon Premium	WCEW	5	Nov 2013	3	8 970.00
	Hs Business Solutions	WCEW	5	Nov 2013	4	7 225.00
	Hs Business Solutions	WCEW	5	Nov 2013	4	7 225.00
	Hs Business Solutions	WCEW	5	Nov 2013	4	7 225.00
	Hs Business Solutions	WCEW	5	Nov 2013	4	7 225.00
	Hs Business Solutions	WCEW	5	Nov 2013	4	7 225.00
	Paragon Premium	WCEW	5	Nov 2013	3	3 970.00
	2h Business Solutions	WCEW	2	Nov 2013	3	13 000.00
	Hs Business Solutions	WCEW	5	Nov 2013	4	7 225.00
	Hs Business Solutions	WCEW	5	Nov 2013	4	7 225.00
	Hs Business Solutions	WCEW	5	Nov 2013	4	7 225.00
	Silulo Ulutho Technologies	E-Kasi Entrepreneurship Conference	Not Indicated	Nov 2013 - Dec 2013	3	300 000.00
	Hlumisa Business Advisers	E-Skilling	Not Indicated	Dec 2013-Mar 2014	3	286 360.00
	Young & Rubicam	Entrepreneurship Recognition Awards	6	Aug 2013 - Aug 2015	3	12 454.43
	Draft FCB	Entrepreneurship Recognition Awards	Not Indicated	Aug 2013 - Aug 2015	3	147 502.60
	JD Lawson	Led Maturity	2	Nov 2013 - Feb 2014	4	390 500.00
	Traction	Era: Adjudicator	3	Oct 2013	0	73 292.60
	Young & Rubicam	Entrepreneurship Recognition Awards	6	Aug 2013 - Aug 2015	3	78 067.20

Pro-gramme	Consulting Firm	Project Title	Total Number of Consultants that worked on the Project	Duration: Period Of Contract	BBBEE Rating	Contract Value In Rand R
	Bergstan SA	West Coast Agricultural And Agro-Processing Situational Analysis	3	Dec 2013 - Feb 2014	2	164 160.00
	Developmentnomics	WCLA Bpi	13	Dec 2013 - Feb 2014	1	199 495.90
	Inkanyezi Marketing & Communications	Disability Summit	2	Dec 2013 - 14 Feb 14	3	138 111.00
	SAMFA Research Solutions	Cape Winelands	4	Dec 2013 - Feb 2014	3	190 000.00
	SAMFA Research Solutions	Bpi: Eden	3	Dec 2013 - Feb 2014	3	214 000.00
	SAMFA Research Solutions	Business Climate Survey	4	Dec 2013 - 28 Feb 2014	3	400 000.00
	Mthente Research & Consulting	Research Project On Abnormal Loads	7	Dec 2013 - Feb 2014	0	61 722.59
	Knife Capital	Angel Investment Network Project	6	Dec 2013	0	285 000.00
	Fem Research Consultants	Fieldworkers	4	Dec 2013 - Jan 2014	3	95 000.00
	Mthente Research & Consulting	RT Research: Export Sector	7	Dec 2013 - Feb 2014	0	57 949.95
	Mthente Research & Consulting	RT Research: Property Development	7	Dec 2013 - Feb 2014	0	55 741.05
	Traction Consulting	Red Tape Challenge	3	Jan - Mar 2014	0	424 500.00
	KPMG Services	Red Tape Reduction Benchmarking	4	Feb 2014 -Mar 2014	2	432 508.00
	Traction Consulting	Red Tape Challenge	3	Jan 2014 - Mar 2014	0	3 990.00
	Signature Tourism	Legacy Mentorship	1	Mar 2013	0	925.00
	Hlumisa Business Advisors	Legacy Mentorship	1	Mar 2013	3	5 625.00
	Signature Tourism	Legacy Mentorship	1	Feb 2013	0	1 054.69
3	Kaizer International	Design Park	2	Dec 2012-Apr 2013	4	559 721.00
	Urban Econ Western Cape	Air Access	3	Mar 2013 - Jul 2013	3	1 402 314.00
	College Of Cape Town	Artisan Development Information And Engagement Session	Not Indicated	Sep 2013	0	48 720.00

Pro-gramme	Consulting Firm	Project Title	Total Number of Consultants that worked on the Project	Duration: Period Of Contract	BBBEE Rating	Contract Value In Rand R
	Contact Staff And Skills Solutions T/A T&T	WC SETAC Co-Ordinator	1	Sep 2013 - Mar 2014	3	200 000.00
	Business Connexion	Transversal	8	Mar 2014 - Jan 2016	3	938 285.28
	Akhile Management & Consulting	Transaction Advisor	40	Oct 2012 - Dec 2013	3	5 508 324.94
	Contact Staff And Skills Solutions T/A T&T	WC SETAC Co-Ordinator	1	Sep 2013 - Mar 2014	3	200 000.00
	Business Connexion	Transversal	8	Mar 2014 - Jan 2016	3	938 285.28
	Akhile Management & Consulting	Transaction Advisor	40	Oct 2012 - Dec 2013	3	5 508 324.94
	BMI Techknowledge	Saldanha Wireless Mesh	1	Mar 2013 - May 2013	2	399 726.00
	African Ideas	Readiness Advisor	1	Nov 2012 - Oct 2015	3	24 678.32
	HJ Visagie	Transaction Advisor: LNG Importation	1	Oct 2013 - Mar 2015	3	736 312.58
	Akhile Management & Consulting	Transaction Advisor: Broadband	40	Dec 2013 - Jan 2015	3	1 583 335.00
	Urban Econ Western Cape	Air Access-Kenya Route	3	Feb - Mar 2014	2	299 650.01
	Research ICT Africa	Connected Leadership	10	Feb 2014 - Jan 2017	0	446 880.00
	Gab Consulting	Agri-Processing Sector Surveys	1	Nov 2013 - Dec 2013	3	229 100.00
	Mindspring Computing Cc	Transversal	7	Mar 2014 - Mar 2017	1	1 972 352.01
	University Of Cape Town	Profiling And Mapping Exercise	3	Jan -15 Mar 2014	0	238 000.00
	CSIR	On Shore Marine Study	7	Mar 2014 - Aug 2014	2	124 072.47
	CSIR	Environmental Screening Study	10	Mar 2014 -Aug 2014	2	124 972.50
	CSIR	Off Shore Marine Study	6	Mar 2014 - Aug 2014	2	124 448.67
	ODA	Cape Town Port Precinct	Not Indicated	Mar 2011 - Feb 2013	0	91 200.00
	Bigen Africa	Professional Facilitator Port Precinct	1	Mar 2012- Mar 2013	0	150 000.00
4	Equillore Dispute Settlement Serv	Alternative Dispute Resolution	5	Apr 2013 - May 2013	4	158 460.00
	Alive PTL	Illegal Guiding	8	Jul 2013 - Feb 2014	4	139 311.00

Pro-gramme	Consulting Firm	Project Title	Total Number of Consultants that worked on the Project	Duration: Period Of Contract	BBBEE Rating	Contract Value In Rand R
5	Wolpe Strategic Economic Consult	M&E Wesgro	Not Indicated	Jan 2013 - Mar 2013	4	11 000.00
	Greenhouse Business Development	Green Economy Strategy	1	15 Feb 2013 - 10 Apr 2013	3	13 750.00
	APJ Cartwright	Investment Cases	2	Oct 2013 - Dec 2013	4	186 846.00
	Sustainable Livelihood	Informal Sector	24	Oct 2012 - Apr 2013	4	257 238.00
	Strategies For Change Agency	Green Economy Strategy	3	Jan 2013 - Mar 2013	4	23 598.00
	Creative Consulting & Dev	M&E SPV Evaluation	13	Feb 2013 - Mar 2013	2	79 566.30
	Lange Strategic Communications	Innovation Discovery Tour	5	Mar 2013 - Jul 2013	0	287 850.00
	University Of Cape Town	Global Entrepreneurship Monitor	36	May 2013 - Feb 2014	0	457 907.80
	Greenhouse Business Development	Genius Of Place	1	Jul 2013- Oct 2013	3	295 000.00
	Lange Strategic Communications	Innovation Discovery Tour	7	Mar 2013 - Jul 2013	2	50 000.00
	Bureau For Economic Research	Quarterly Economic Review	Not Indicated	Aug 2013	6	43 796.52
	Develop-mentnomics	BPO Sector Survey	8	Nov 2013 - Dec 2013	1	67 996.43
	Develop-mentnomics	Metals & Engineering Sector Surveys	10	Nov 2013 - Dec 2013	1	198 816.32
	Develop-mentnomics	Oil & Gas Sector Survey	8	Nov 2013 - Dec 2013	1	58 852.50
	Bureau For Economic Research	Quarterly Economic Review	Not Indicated	Nov 2013 - Dec 2013	6	45 417.90
	L2I	Investment Mapping	15	Nov 2013 - May 2014	1	1 074 546.75
	Peridot Traders 120	Econometric Model	2	Nov 2013 - Jan 2014	3	374 305.00
	Gab Consulting	Outcomes Evaluation Of Tourism HRD & Ted	8	Dec 2013 - Mar 2014	3	285 000.00
	Devnomics	Evaluation Of OCP And Consumer Awareness And Complaints Management	8	Nov 2013 - Dec 2013	1	195 271.60
	Urban Econ	Smart Living & Working	6	Nov 2013-Mar 2014	4	592 800.00
SAMFA Research Solutions	Transversal Skills	2	Jan 2014 - May 2014	3	75 000.00	

Pro-gramme	Consulting Firm	Project Title	Total Number of Consultants that worked on the Project	Duration: Period Of Contract	BBBEE Rating	Contract Value In Rand R
	CSIR	RIA Waste Investment Case	4	Dec 2013 - Mar 2014	2	498 259.80
	Hs Business Solutions	Regional Economic Agendas Eden	5	Feb 2014 - Mar 2014	4	120 000.00
	Hs Business Solutions	Regional Economic Agendas Overberg	5	Feb 2014 - Mar 2014	4	107 500.00
	Greenhouse Business Development	Genius Of Place Phase 3	3	Jun 2013-Mar 2014	3	450 000.00
	Reza Daniels	Chief Economic Advisor	1	Jan 2014 - Mar 2014	0	63 333.32
	Cape Peninsula University	Gel Fuel Feasibility Study	5	Mar 2013 - Aug 2013	0	73 200.00
6	BIZXNET	Social Media Training	6	Jun 2013-Aug 2013	3	72 000.00
	TBISA	Intermediate Training	3	Jul - Oct 2013	4	113 202.00
	Kg Business Development Cc	Sa Host Training	4	Jul 2013- Dec 2013	3	199 927.50
	TBISA	Tourism Enterprise Development Advance Accommod-ation Training	5	Sep - Oct 2013	1	114 000.00
	Cape Otto Signs	Cape Mountain Passes	34	Sep - Oct 2013	2	217 773.69
	Uhlula Consulting	Tourism Mentorship	1	Nov 2013 - Mar 2014	3	26 500.00
	R Rieger	Tourism Mentorship	1	Nov 2013 - Mar 2014	0	22 500.00
	4s Business Management Services Cc	Tourism Mentorship	1	Nov 2013 - Mar 2014	4	18 000.00
	4s Business Management Services Cc	Tourism Mentorship	1	Nov 2013 - Mar 2014	4	18 000.00
	4s Business Management Services Cc	Tourism Mentorship	1	Nov 2013 - Mar 2014	4	18 000.00
	Hlumisa Business Advisors	Tourism Mentorship	1	Nov 2013 - Mar 2014	3	21 600.00
	R Rieger	Tourism Mentorship	1	Nov 2013 - Mar 2014	0	18 000.00
	Hlumisa Business Advisors	Tourism Mentorship	1	Nov 2013 - Mar 2014	3	19 800.00
	JJ Loubser	Tourism Mentorship	1	Nov 2013 - Mar 2014	0	20 000.00
	JJ Loubser	Tourism Mentorship	1	Nov 2013 - Mar 2014	0	20 000.00

Pro-gramme	Consulting Firm	Project Title	Total Number of Consultants that worked on the Project	Duration: Period Of Contract	BBBEE Rating	Contract Value In Rand R
	Cape Otto Signs	Cape Mountain Passes	34	01 Sep 2013 - 31 Jan 2014	2	261 483.93
	Get Smarter	Online Marketing	2	Jul 2013 - Nov 2013	4	154 620.00
	Alive PTL	Tourist Guides	2	Sep 2013 - Nov 2013	4	116 950.00
	BIZXNET	Social Media Training	2	Dec 2013 - Mar 2014	3	59 800.00
7	African Global Skills Academy	Work And Skills	12	Dec 2013 - Sep 2014	3	4 809 783.32
	TSIBA Education	Work And Skills EDT 001/13	9	Dec 2013 - Mar 2014	0	2 457 450.00
	Deloitte and Touche	Work And Skills EDT 002/13	13	Jan 2014 - Oct 2014	3	9 188 063.00
	CHET	Strategic Framework For Skills Development	1	Sep 2013 - Oct 2013	0	205 200.00
	BMI Techknowlege	Broadband Skills Position Paper	4	Nov 2013 - Jan 2014	2	485 254.00
	School Of Public Management	Led Training	1	Dec 2013	4	153 000.00
TOTAL		138	723			52 702 807.31

Table 3.15.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2013 to 31 March 2014

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project

Table 3.15.3: Report on consultant appointments using Donor funds, 1 April 2013 to 31 March 2014

Not applicable

Table 3.15.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2013 to 31 March 2014

Not applicable



PART E: FINANCIAL INFORMATION

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT/PROVINCIAL LEGISLATURE OF THE REPUBLIC OF SOUTH AFRICA

1. General review of the state of financial affairs

The implementation of Strategic Objective 1: Creating opportunities for growth and jobs impacted significantly on the operations of the Department during the year under review. This new direction shifted the focus of the Department from an interventionist entity to one that provides leadership to the Western Cape economy.

This said, Economic Development and Tourism has developed its strategies and action plans to give meaning to both the Province's Strategic Objective 1, Increasing opportunities for growth and jobs, and national's National Development Plan (NDP), eliminating poverty and reducing inequality by 2030. With regard to the former, the Department has as its bedrock the creation and maintenance of an enabling business environment.

Regarding the latter, the Department's work centred on the (NDP's) priorities of raising employment through faster economic growth and building the capability of the state to play a developmental and transformative role. Combining these two policy directives the Department has put in significant effort in attempting to achieve the national outcome of "decent employment through inclusive growth".

Although acknowledged by the NDP that SA has a relatively sound private sector business environment, government still needs to play a proactive role in ensuring that this environment is conducive to the establishment and growth of business, and ultimately to increasing employment. Through our approach of demand-led private sector-driven growth, the Department has expended significant efforts in the following areas, and hence addressing the key strategic objectives:

Sector Development

In terms of delivery, there was considerable movement within the "propulsive" priority sectors, being Oil and Gas, BPO and the Green Economy. Significant investment was made in these sectors both in terms of infrastructure, as well as by private sector investors. Following the announcement of the promulgation of the Saldanha IDZ in September, the Oil and Gas sector is now firmly destined for explosive growth. And with the recent awards from Europe and the UK of BPeSA being the "offshore destination of the year", high levels of investment is expected in new call centre capacity. The aquaculture sector has also facilitated a R800 million facility from the DTI that was announced during the year.

In terms of the employment absorbing sectors, being the clothing and textiles, metals and engineering and agri-business sectors, the focus on firm-level upgrading, and development of new markets across the value-chain has progressed well. Central is the enhancement of firms to tap into new markets, whether national or international. Firms are being linked directly to new opportunities through the UNIDO programme, and are starting to win orders which they would not have been able to do previously. The clothing and textiles sectors have also seen a closer alignment in the value-chain with the retailers, and will start to see manufacturers clawing back market share from cheap imports.

Green Economy

Significant work was done to develop a Green Economy Strategic Framework that would guide the Western Cape Government's (WCG's) interventions in this sector. The Strategic Framework

identifies five key areas of focus, namely smart living and working, smart mobility, smart eco-systems, smart agro-processing and smart enterprise. Key levers support these drivers where government has a role to play: regulation, infrastructure investment and ensuring that the provincial economy has the capability to support the green economy.

The Framework was the product of engagement with various stakeholders, and the Department not only played a leading role in this process, but would also take the lead in the delivering on a number of issues raised in the Framework. One of the additional benefits of the process has been that the Green Economy as a concept is starting to be mainstreamed across the province – although significant green economy-focused expenditure outside of DEDAT is likely to require innovative ways of enabling investment in the area.

Economic Infrastructure

Since the establishment of Cape Catalyst, nine projects have been developed to the point of pre-implementation stage and highlights for the 2013/14 period include:

Broadband Initiative: The Department has formulated the Western Cape Broadband Strategic Framework and through its efforts, has firmly placed improved telecommunications on the provincial government 'priority list'.

Saldanha Industrial Development Zone: The Industrial Development Zone in Saldanha Bay will provide services and products to the offshore oil and gas industry along the coast of Africa. The following is a summary of the work conducted or supported by the Department for the period under review:

- Designation of the IDZ
- First phase of infrastructure build initiated

Business Regulation

The year under review has seen the OCP's consumer education and awareness unit continuing its excellent work with communities, business, NPOs/NGOs, faith-based organisations, government departments and other interested stakeholders. In line with the OCP's consumer education mandate it has conducted numerous awareness/information campaigns and workshops with targeted groups 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.

Red Tape to Red Carpet

Through the Red Tape call centre (Business Support Helpline), significant progress has been made towards removing bureaucratic blockages (red tape), not only in individual cases, but also thorough analysis of trends and research, and by systemically influencing departments and municipalities towards making changes that brought about longer-term wide-ranging changes in business-facing procedures and physical infrastructure. Examples of procedures include faster processing and approval of building plans at a number of municipalities. An infrastructural change at the Department of Transport and Public Works walk-in centre has resulted in a much-welcomed single entry point for a range of interactions between business people (and members of the public) on the one hand and government on the other. The Municipal Red Tape Reduction Project has, first and foremost, succeeded in addressing an important but often overlooked aspect of red tape – lack of communication – by bringing together the principal players in local economic development, namely business and local government. Better communication, followed by heightened levels of service delivery to the business community – most notably in the areas of faster building plan approvals, better communication around land use applications and the

initiation of reviews of procedures for making municipal land available for commercial purposes are indicative of the short-term impacts of this intervention. In the longer term, increased business confidence in the municipal jurisdictions concerned is likely to contribute to the ultimate objective of economic growth and the job creation that almost inevitably follows it.

With regard to spending trends, the Department needs to highlight the following:

During the 2013/14 financial year, the Department expended 98.51% or R 367.379 million of its allocated budgets in the execution of its mandate as articulated in Strategic Objective 1: Creating Opportunities for growth and jobs. This spending is well within the provincial norm of a 2% variance from adjusted appropriation.

It should be noted that the Department's underspending for the year under review was as a result of two projects which could not materialise during the financial year. These projects were related primarily to the infrastructure initiatives of the Department namely the Cape Health Technology Park and the Broadband Initiative where a community based IT access project could not be awarded.

As a summary of the financial position of the year under review, the Department was allocated an original budget of R389.451 million. This budget was allocated as follows:

Programme 1: Administration – R31.972 million. The main purpose of the Programme was to provide the overall leadership to the Department and manage the administrative processes such as financial management and corporate services functions such as communications and human resource management liaison with the Department of the Premier.

Programme 2: Integrated Economic Development Services – R48.634 million. The funding allocated to this Programme was to deliver on the mandate of creating an enabling environment through promoting entrepreneurship and small business development; engaging local areas to ensure that Local Economic Development can contribute to a greater degree in encouraging and promoting the objective of sustainable economic growth and creation of jobs in rural areas; and the promotion of the red tape reduction stratagem to ensure that enterprises can grow without the burdensome legislative or policy framework that could result in stunted growth of business and communities.

Programme 3: Trade and Sector Development – R145.306 million. Funding allocated to this Programme was primarily to support industry development through the guidance and support of sector specific interventions; the promotion and guidance of trade and investment promotion such as promoting the Western Cape as a destination for foreign direct investment and export development assistance; and the support for various economic infrastructure initiatives.

Programme 4: Business Regulation and Governance – R42.220 million was allocated to this Programme to ensure an equitable and socially responsible business environment through the support of consumer protection services and the support of the Western Cape Liquor Authority.

Programme 5: Economic Planning – R34.151 million. Funding was allocated to the Programme to ensure that its mandate of providing strategic support initiatives such as Research, Monitoring and Evaluation and Knowledge Management services could be provided to the Department. A further initiative of the Programme was to position the Western Cape as the Green Economic Hub of South Africa.

Programme 6: Tourism, Arts and Entertainment – R49.181 million was allocated to position the Western Cape as the premier tourist destination and build a responsive tourism industry that can meet future demands.

Programme 7: Skills Development and Innovation – An amount of R37.987 million was allocated to the Programme to facilitate the promotion of skills development as a major lever in the fight for economic freedom and the promotion of the work and skills and artisan skills activities.

During the Adjustment Estimate process the Department's budgetary allocation was reduced by R16.478million. This was primarily due to an amount of R17.395 million being shifted from Programme 3: Trade and Sector Development in support of the Provincial Broadband Initiative and R3.7 million being shifted from Programme 7: Skills Development and Innovation for a skills project.

Furthermore, the Department also received funding amounting to R2 million in support of its Liquefied Natural Gas (LNG) importation plan initiative as well as funds from its over-collection of own revenue to support the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) amounting to R2.617 million resulting from its retention of surpluses which was re-voted to the Department.

Post Adjustment Estimate, the adjusted budget of R372.973 million was allocated per programme as follows:

Programme 1: Administration – R 32.472 million

Programme 2: Integrated Economic Development Services – R 49.994 million

Programme 3: Trade and Sector Development – R 129.828 million

Programme 4: Business Regulation and Governance – R 41.481 million

Programme 5: Economic Planning – R 35.851 million

Programme 6: Tourism, Arts and Entertainment – R 47.560 million

Programme 7: Skills Development and Innovation – R 35.787 million

Furthermore, the Department also effected a total of five virements of which R1.155 million was shifted from Programme 5: Economic Planning and R6 000 from Programme 6: Tourism Arts and Entertainment to Programme 1: Administration, Programme 2: Integrated Economic Development Services and Skills Development and Innovation.

As at 31 March, the Department expended 98.51% or R367.379 million of its allocated budgets in the execution of its mandate as articulated in Strategic Objective 1: Creating Opportunities for growth and jobs.

Report of the Accounting Officer for the Year ended 31 March 2014

The financial position of the Department is displayed in the table below.

Programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
1. Administration	32 472	-	777	33 249	33 249	-
2. Integrated Economic Development Services	49 994	-	13	50 007	50 007	-
3. Trade and Sector Development	129 828	-	-	129 828	124 240	5 588
4. Business Regulation and Governance	41 481	-	-	41 481	41 481	-
5. Economic Planning	35 851	-	(1 155)	34 696	34 690	6
6. Tourism, Arts and Entertainment	47 560	-	(6)	47 554	47 554	-
7. Skills Development and Innovation	35 787	-	371	36 158	36 158	-
TOTAL	372 973	-	-	372 973	367 379	5 594

For the 2013/14 financial year, the Department budgeted an amount of R24.270 million for revenue. This estimate was based on R24 million for liquor license fees and a further R270 000 for sale in terms of the registration fee of tourist guides.

Actual revenue collected with regard to liquor license fees was exceeded by R4.328 million. This was primarily due to a greater number of outlets being licensed due to a drive by the Liquor Authority to reduce the number of unlicensed establishments.

In terms of the tourist guide registration fees 1 477 tourist guides were registered during the financial year resulting in an over-collection of revenue of amounting to R118 000.

During the financial year, the Department over-collected on its financial transactions in assets and liabilities by an amount of R2.851 million. This amount comprised primarily of the retention of surplus funding from Wesgro as well as improved debt collection activities instituted by the Department. Wesgro retained an amount of R2.617 million with the Department reducing its debt by more than R107 000.

Report of the Accounting Officer for the Year ended 31 March 2014

Departmental receipts	2013/14			2012/13		
	Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000	Estimate R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000
Tax Receipts	-	-	-	-	-	-
Liquor licences	24 000	28 328	(4 328)	13 315	24 822	(11 507)
Sale of goods and services other than capital assets	270	388	(118)	270	418	(148)
Interest, dividends and rent on land		14	(14)		9	(9)
Financial transactions in assets and liabilities		2 851	(2 851)		4 320	(4 320)
TOTAL	24 270	31 581	(7 311)	13 585	29 569	(15 984)

2. Service rendered by the Department

2.1 Services rendered

During the 2013/14 financial year the Department rendered services in respect of the following:

- Provide evidence-based research that will inform economic policy development.
- Support enterprise development through the provision of mentorship, training and financial support.
- Promote Local Economic Development through initiatives such as capacity building within municipalities and the support of large scale projects within communities.
- To develop and implement sector strategies ensuring the growth of the Western Cape economy.
- To develop and intensify support for training interventions which address specific skills shortage within identified sectors.
- To attract and facilitate international and domestic direct investment into the Western Cape and to grow the exports of products and services of the Western Cape through the development of exporter capability, demand and market access.
- To enhance the operations of the Consumer Tribunal thereby enhancing access to redress, both outside and inside of the judicial structures and strengthening the Office of the Consumer Protector's position as the first and preferred reference point for consumers seeking information or access to redress, whether they are residents of or visitors to the province.
- Prioritise and co-ordinate initiatives towards the development of a culture of responsible use of liquor to combat and replace the existing culture of misuse.
- To facilitate growth of the tourism industry through the development of competitive strategies that will ensure tourist safety, access, skills development and infrastructure investment.
- To market the Western Cape as a world-class business and tourist destination.

2.2 Tariff policy

The Department is responsible for the collection of two revenue sources, namely liquor license fees and tourist guide registration fees.

Revenue collected relating to liquor license fees is collected via the Western Cape Liquor Authority and is determined in terms of the Western Cape Liquor Act of 2008 (Act 4 of 2008).

The fees charged for Tourist Guide Registration are contained in the Department's approved tariff register. All tariffs are also set in terms of the regulations promulgated in terms of the Tourism Act of 1993 (Act 72 of 1993).

2.3 Free services

There are a number of free services rendered related to the work of the Department. These services are provided to disadvantaged persons and or emerging entities who would not necessarily be able to afford the professional fees charged within the private sector. This includes services rendered in terms of:

- The Office of the Consumer Protector (OCP) where advice is provided to all consumers in the economy regarding their rights against poor business practices.
- Supplier development programmes where small businesses are assisted to increase their capabilities to access procurement opportunities.
- Business training is provided to SMMEs to assist them in growing their business as well as improve sustainability.
- Tourist guide training is provided to newly registered tourist guides primarily to improve the service standards of individual guides within the Province.
- Job readiness and life skills training are provided through the Work & Skills Programme to unemployed youth and recent school leavers to enable them to enter the job market.

2.4 Inventories

The Department does not have any inventories due to the nature of the Department's objectives and also based on what we procured during the financial year.

3. Capacity constraints

The introduction of SO1: Creating opportunities for growth and jobs, necessitated a change in the role of the Department from one that is interventionist to a more leadership role in the economy. This shift in focus resulted in the Department undertaking an organisational design exercise that is aimed at not only assisting in placing the correct human resources where most needed, but also to ensure that there will be a sufficient staff complement to undertake the Department's interventions. The process for completion of the OD exercise has recently been approved by the necessary authorities.

The Department during this process has also experienced a number of pressures during this process which has impacted on the delivery of the Department. Most notably, various persons needed to act in higher positions as these have become vacant.

Furthermore, the Department has also experienced some challenges in gaining the correct skills in positions which were advertised such as the sourcing of economists within our Research component. Currently, this unit is capacitated with only one person. A means to remedy the

staffing challenges of the Department has been to actively engage in a professional internship programme where post-graduate interns are sourced to gain practical experience in their fields of study and assist in the alleviation of the shortage of skills

An example of the aforementioned is demonstrated by the Red Tape to Red Carpet strategy as initiated by the Department which required the attraction of a Red Tape Reduction Director who is in possession of the necessary legislative and business process engineering expertise. As this is a new work area within the country, the necessary expertise required was extremely difficult to source.

4. Utilisation of donor funds

No donor funds were received during the year under review.

5. Trading entities and public entities

The Department has two Public Entities that report to it in terms of section 47 (1) of the Public Finance Management Act, 1999 (Act 1 of 1999). These are:

- Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)
- The Western Cape Liquor Authority (WCLA)

Western Cape Destination Marketing, Investment and Trade Promotion Agency

Wesgro was established in terms of the Western Cape Investment and Trade Promotion Law, 1996 (Act 3 of 1996). The major objective of the agency is to promote the Western Cape as a destination of choice for tourism, investment and trade.

An amount of R55.928 million was transferred to Wesgro in the 2013/14 financial year. This represents an increase of 9.2% when compared to the 2012/13 financial year where an amount of R51.762 million was transferred.

Funding to Wesgro was provided for the following:

- R21.481 million to support the entity in terms of its trade and investment activities
- R25.100 million to support its events and destination marketing activities
- R4.067 million to support a skills development initiative as part of an artisanal programme, and
- R5.280 million in support of the Saldanha IDZ programme.

Western Cape Liquor Authority

The WCLA was established in terms of the Western Cape Liquor Act No. 4 of 2008 and subsequent Western Cape Liquor Amendment Act, 2010 (Act 10 of 2010).

The WCLA is responsible for the regulation of the micro-manufacturing and retail sale of liquor by liquor license holders, the reduction of illegal liquor trading and the promotion of responsible use of liquor within the Western Cape. It should be noted that this mandate is derived from Schedule 5 of the Constitution of the Republic of South Africa which establishes these functions as a Provincial competency.

Report of the Accounting Officer for the Year ended 31 March 2014

An amount of R30.936 million was transferred to the WCLA in the 2013/14 financial year. This allocation represents an increase in expenditure of R6.174 million during the 2013/14 financial year where an amount of R24.762 million was expended for the execution of its functions during the 2012/13 financial year.

Accountability Arrangements during the oversight of the Entities

Public Entities are managed in term of the Public Finance Management Act, 1999. The Department provides input to the Tabled Annual Performance Plan of each entity. Furthermore, a Transfer Payment Agreement is entered into with each entity. This Transfer Payment Agreement clearly outlines the financial and non-financial performance and expectations.

Funding is provided to each entity on a quarterly basis after the quarterly financial and performance reports have been reviewed and approved within the Departmental Authority.

6. Organisations to whom transfer payments have been made

During the financial year, the Department requests all entities receiving funds via transfer payment to submit a written certificate, attested by the Chief Financial Officer of that entity, stating that the entity implements effective, efficient and transparent financial systems. It should be noted that no funds are transferred without such a certificate being received. Further to this, if a newly established entity is to receive transfer payment funding, the Department further requests that a letter be drafted detailing who the appointed auditors are responsible for auditing the financial statements of that entity.

It should, however, be noted that no funds are transferred to entities who do not or cannot comply with this request.

Furthermore, the Department also requests that the latest audited financial statements of each and every entity to which transfers are made are submitted before new payments are transferred. In addition to this, it is common practice to stagger transfer payments in order to ensure that significant delivery against each project is tracked. In this regard, the Department also requests all entities to provide project reports on funds transferred.

The Department also concludes a Transfer Payment Agreement with all entities who receive funding. The transfer Payment Agreement articulates minimum standards in terms of financial and non-financial expectations required by the entity to whom transfers have been made.

Lastly, the Corporate Governance requirements of the King III report with regard to the Accounting Officer's responsibilities are espoused by section 38 and 40 of the PFMA. Pursuant to 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. This committee ensures that corporate, ethical and social responsibility and accountability are imparted to the Departments' entire stakeholder constituent.

A list of transfers made to organisations is included in Annexures 1A, 1B, 1C, 1D, 1E and 1F of the Annual Financial Statements.

7. Public Private Partnerships (PPP)

The Department is currently as at June 2014 at the Solutions Option stage of the PPP Feasibility Phase for WC Broadband PPP. This phase is undertaken to determine whether or not a PPP

vehicle would be considered an appropriate vehicle for implementation. Upon completion of the feasibility phase, a decision will be made to proceed to the procurement phase. Only once the PPP procurement phase has been completed and the private sector partner is secured, will the PPP be considered to be operational and functional. The Department, therefore, does not have a functional and operational PPP in place as yet.

8. Corporate governance arrangements

The Department of Economic Development and Tourism has established a Corporate Governance Committee.

The committee is mandated by a charter which articulates the guiding principles of the Government Governance Framework, the King III Report and the sound governance practices endorsed by the PFMA and additional enhancing provincial and national legislation.

During the 2013/14 financial year, the committee made great strides in the areas of risk management, fraud prevention awareness and training and the value-adding internal audit assurance provider arena. This was primarily done through the maturing of thinking around risk articulation and its relation to internal audit and the re-engineering of fraud prevention training programmes.

In terms of fraud prevention, the Department aligns itself to the Western Cape Government's Anti-Corruption Strategy and its zero tolerance to fraud policy stance. This standpoint is legislated in the Department's approved Fraud Prevention Plan and executed in the accompanying Fraud Prevention Implementation plan. Forensic investigations continued to be offered by the shared Forensic Investigative Unit, which was corporatized in the Corporate Service Centre of the Department of the Premier. Various channels for the reporting of allegations of fraud exist, and these are described in detail in the Anti-Corruption Strategy and the Departmental Fraud Prevention Plan. Further to this, the Plan details the processes for recording, investigating and disciplinary action/s to assure the reader that fraud prevention management is comprehensive and any whistle-blower will be treated with the utmost duty and care and with strict adherence to the whistle-blower policy.

Sound corporate governance is also achieved by effective conflict of interest management. The Department regards this as an important focus area within supply chain management. All supply chain management officials sign a Code of Conduct shortly after their assumption of duty. The content of the code of conduct is discussed in detail with each official so that they are aware of the serious nature of the document. 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. 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.

Furthermore, the Department has adopted the Code of Conduct governing the public service. In addition the Supply Chain Management Unit has also adopted a unit-specific code for SCM officials which is attested annually. Training is also provided to all staff regarding the meaning and implications of attesting the code of conduct.

9. Discontinued activities/activities to be discontinued

No activities were discontinued during the 2013/14 financial year.

10. New/proposed activities

No new activities are proposed for the 2014/15 financial year.

11. Asset management

All assets procured during the current and prior periods have been included on the asset register. The contents of the asset register are aligned to the minimum requirements as contained in the National Treasury guideline for asset management. Monthly reconciliations are completed between BAS and our excel asset register. The reason for the maintenance of the excel asset register was due to this being the first year of implementation of the LOGIS system and the Department had an objective of ensuring the accuracy and completeness of the assets on the LOGIS system.

12. Inventories

The Department does not procure any inventories. We only procure consumables and therefore the annexure relating to inventories will not be completed by the Department for the purpose of the Annual Audit Process.

13. Events after the reporting date

No events occurred after the reporting date.

14. Information on predetermined objectives

The Management Accounting sub-directorate evaluates all performance against expenditure. This is later compiled into Quarterly Performance Reports and later consolidated into the Department's Annual Report.

All actual information provided is also verified by the Internal Control Unit who regularly conducts Audits on Performance Information to verify the actual achievements claimed by management during the quarterly and annual reporting processes.

Management Reports are later drafted and submitted via the Office of the Chief Financial Officer to the Accounting Officer for discussion in the Departmental Top Management Committee meetings.

The Department achieved 83.22% of all predetermined objectives with only 2 indicators that were not met.

15. SCOPA resolutions

The Committee noted the Auditor-General's audit opinion regarding the Department's Annual Financial Statements, receiving an unqualified audit opinion with no findings and that this represented an improvement from the 2011/12 unqualified audit opinion with findings.

Report of the Accounting Officer for the Year ended 31 March 2014

The Committee congratulated the Department on the progress it has made in this regard, towards its commitment of achieving a clean audit in 2014 and beyond. To achieve this commitment and to avoid a regression in the audit outcome, the Department should urgently and sustainably address all matters raised by the Auditor-General, the Audit Committee and this Committee.

The Committee took cognisance of the fact that 60% of High Risk Areas were covered by Internal Audit, compared to 25% last year, and further notes that the four internal audits approved for auditing during the financial year were completed.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
1.	The Committee thanked the Department for publishing its resolutions, and actions taken in this regard, in its Annual Report, but noted that this was not an accurate reflection of the oversight role exercised by the Committee, in the year under review.	The Department should publish the Committee's opening comments specific to this Department, this table of resolutions and the list of information requested by the committee, in all future Annual Reports.	The Department has included the Committee's opening comments as recommended. The Department acknowledges the invaluable role the Committee plays in oversight and governance.	Yes
2.	The Committee noted that an investigation was being conducted by the FIU at the request of the Accounting Officer to establish possible financial misconduct by employees in the procurement process during the previous year, which resulted in irregular expenditure. The investigation was still on-going at the reporting date.	The Department and the FIU should brief the Committee on progress achieved and/or the outcomes of these investigations.	A meeting between, the Committee, FIU and the Department was held on 3 March 2014 whereby the subject matter was discussed.	Yes

16. Prior modifications to audit reports

No prior modifications to audit reports were done during the 2013/14 financial year.

17. Exemptions and deviations received from the National Treasury

No exemptions or deviations were received from National Treasury during the reporting period.

18. Interim Financial Statements

The Department has complied with the financial prescripts by submitting interim financial statements (IFS) timeously to Provincial Treasury. The IFS submitted was free of material misstatements and fairly represented the financial performance and financial position of the Department.

19. Compliance with 30 days payments

The Department generally does not have a problem with settling our payments to creditors within 30 days. We have had isolated incidents where creditors were paid later than 30 days, but this does not even constitute 1% of the entire payment population. We have implemented standards and structures of how invoices are received and how we evaluate the accuracy of the invoice and any other supporting documentation. This model has been successful and suppliers understand that both parties must agree that the good or service should be delivered satisfactorily prior to the payment being processed. The Department is also cognisant of the fact that a supplier cannot be disadvantaged by internal processes and that an agreement must be reached when the payment should be reflected in the supplier's bank account.

20. Other

20.1 Financial Statements

The annual financial statements of the public entities, Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) and Western Cape Liquor Authority (WCLA), do not form part of the Department's financial statements as the Accounting Authorities of the public entities will be compiling separate annual reports which will be tabled by the responsible Executive Authority.

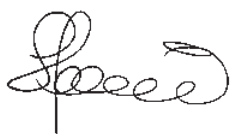
20.2 Impairment of Investment

The calculation of the impairment is based on the percentage shareholding in the Cape Town International Convention Centre (Convenco). The share of the impairment forms part of the provisions disclosure note in accordance with the accounting policy for investments (see note 11 to the Annual Financial Statements).

The Provincial Government of the Western Cape has a shareholding of 25% in the Cape Town International Convention Centre Company (Pty) Ltd.

21. Approval

The Annual Financial Statements set out on pages 203 to 257 have been approved by the Accounting Officer.



Mr Solly Fourie

**Head of Department
31 July 2014**

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE NO.12: WESTERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Western Cape Department of Economic Development and Tourism as set out on page 203 to 252, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, as well as the notes comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's responsibility for the financial statements

2. The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), the Division of Revenue Act, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Economic Development and Tourism as at

Report of the Auditor-General

31 March 2014 and its financial performance and cash flows for the year then ended in accordance with the MCS prescribed by the National Treasury and the requirements of the PFMA and the DoRA.

Emphasis of matter

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

Material impairment

8. As disclosed in note 11.1 of the financial statements, the Department has an impairment of R72,2 million on the 25% shareholding held by the Provincial Government of the Western Cape in the Cape Town International Convention Centre.

Additional 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 253 to 257 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2014:

- Programme 2: Integrated Economic Development Services on pages 50 to 64
- Programme 3: Trade and Sector Development on pages 65 to 82
- Programme 6: Tourism, Arts and Entertainment on pages 102 to 114

13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.

15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

Report of the Auditor-General

16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

Compliance with legislation

17. I performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

OTHER REPORT

Investigation

19. An investigation relating to the procurement process, which resulted in irregular expenditure in the 2012/13 period, was completed during the year and resulted in disciplinary proceedings against the employees involved.

Auditor General

Auditor General

**Cape Town
30 July 2014**



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION									
Current payment	31 275	(1 658)	771	30 388	30 388	-	100%	23 792	23 749
Transfers and subsidies	21	1	-	22	22	-	100%	14	14
Payment for capital assets	1 176	1 643	6	2 825	2 825	-	100%	1 447	1 447
Payment for financial assets	-	14	-	14	14	-	100%	1	-
	32 472	-	777	33 249	33 249	-		25 254	25 210
2. INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
Current payment	30 262	(92)	13	30 183	30 183	-	100%	27 176	27 176
Transfers and subsidies	19 435	60	-	19 495	19 495	-	100%	23 826	23 826
Payment for capital assets	282	28	-	310	310	-	100%	320	304
Payment for financial assets	15	4	-	19	19	-	100%	-	-
	49 994	-	13	50 007	50 007	-		51 322	51 306
3. TRADE AND SECTOR DEVELOPMENT									
Current payment	48 283	(5 886)	-	42 397	39 809	2 588	93.9%	40 340	40 340
Transfers and subsidies	81 295	5 884	-	87 179	84 179	3 000	96.6%	61 635	60 655
Payment for capital assets	250	2	-	252	252	-	100%	301	301
	129 828	-	-	129 828	124 240	5 588		102 276	101 296
4. BUSINESS REGULATION AND GOVERNANCE									
Current payment	10 455	-	-	10 455	10 455	-	100%	9 944	9 944
Transfers and subsidies	30 939	-	-	30 939	30 939	-	100%	24 762	24 762
Payment for capital assets	87	-	-	87	87	-	100%	165	114
	41 481	-	-	41 481	41 481	-		34 871	34 820

Appropriation Statement for the Year ended 31 March 2014

Appropriation per programme									
	2013/14							2012/13	
	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
5. ECONOMIC PLANNING									
Current payment	24 640	(2 682)	(1 155)	20 803	20 797	6	100%	16 684	16 684
Transfers and subsidies	10 946	2 547	-	13 493	13 493	-	100%	7 860	7 860
Payment for capital assets	265	132	-	397	397	-	100%	216	193
Payment for financial assets	-	3	-	3	3	-	-	-	-
	35 851	-	(1 155)	34 696	34 690	-		24 760	24 737
6. TOURISM, ARTS AND ENTERTAINMENT									
Current payment	17 607	(594)	-	17 013	17 013	-	100%	17 159	17 158
Transfers and subsidies	29 819	594	-	30 413	30 413	-	100%	33 039	33 039
Payment for capital assets	134	-	(6)	128	128	-	100%	200	133
Payment for financial assets	-	-	-	-	-	-	-	15	15
	47 560	-	(6)	47 554	47 554	-		50 413	50 345
7. SKILLS DEVELOPMENT AND INNOVATION									
Current payment	24 270	(3 650)	371	20 991	20 991	-	100%	13 937	13 937
Transfers and subsidies	11 317	3 622	-	14 939	14 939	-	100%	12 665	12 665
Payment for capital assets	200	28	-	228	228	-	100%	87	28
	35 787	-	371	36 158	36 158	-		26 689	26 630
TOTAL	372 973	-	-	372 973	367 379	5 594	98.5%	315 585	314 344
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				4 695				12 229	
Actual amounts per statement of financial performance (total revenue)				377 668				327 814	
Actual amounts per statement of financial performance (total expenditure)					367 379				314 344

Appropriation Statement for the Year ended 31 March 2014

Appropriation per economic classification									
	2013/14							2012/13	
	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									
Compensation of employees	89 915	565	311	90 791	90 791	-	100%	80 296	80 253
Goods and services	96 878	(15 129)	(311)	81 438	78 844	2 594	96.8%	68 736	68 734
Transfers and subsidies									
Provinces and municipalities	5 150	-	-	5 150	5 150	-	100%	-	-
Departmental agencies and accounts	90 010	3 055	-	93 065	93 065	-	100%	81 024	81 024
Higher education institutions	650	150	-	800	800	-	100%	-	-
Public corporations and private enterprises	11 326	(1 350)	-	9 976	6 976	3 000	69.9%	8 354	8 354
Non-profit institutions	74 841	10 747	-	85 588	85 588	-	100%	73 260	72 280
Households	1 795	106	-	1 901	1 901	-	100%	1 164	1 164
Payments for capital assets									
Machinery and equipment	2 393	1 774	-	4 167	4 167	-	100%	2 693	2 477
Intangible assets	-	61	-	61	61	-	100%	43	43
Payments for financial assets	15	21	-	36	36	-	100%	15	15
TOTAL	372 973	-	-	372 973	367 379	5 594	98.5%	315 585	314 344

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 1 – ADMINISTRATION for the year ended 31 March 2014									
Detail per Sub-Programme	2013/14							2012/13	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Expen- diture	Vari- ance	Expen- diture as % of final appro- priation %	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
1.1 OFFICE OF THE HOD									
Current payment	2 340	58	-	2 398	2 398	-	100%	2 907	2 907
Payment for capital assets	7	-	-	7	7	-	100%	579	579
1.2 FINANCIAL MANAGEMENT									
Current payment	20 523	(523)	771	20 771	20 771	-	100%	19 283	19 240
Transfers and subsidies	21	1	-	22	22	-	100%	14	14
Payment for capital assets	869	1 606	6	2 481	2 481	-	100%	868	868
Payment for financial assets	-	14	-	14	14	-	100%	-	-
1.3 CORPORATE SERVICES									
Current payment	8 412	(1 193)	-	7 219	7 219	-	100%	1 602	1 602
Payment for capital assets	300	37	-	337	337	-	100%	-	-
Payment for financial assets	-	-	-	-	-	-	-	1	-
TOTAL	32 472	-	777	33 249	33 249	-	100%	25 254	25 210

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 1 – ADMINISTRATION for the year ended 31 March 2014									
Programme 1 per Economic Clas- sification	2013/14							2012/13	
	Adjusted Appro- piation R'000	Shift- ing of Funds R'000	Vire- ment R'000	Final Appro- piation R'000	Actual Expen- diture R'000	Vari- ance R'000	Expen- diture as % of final appro- piation % %	Final Appro- piation R'000	Actual Expen- diture R'000
Current payments									
Compensation of employees	17 646	(104)	-	17 542	17 542	-	100%	15 877	15 834
Goods and services	13 629	(1 554)	771	12 846	12 846	-	100%	7 915	7 915
Transfers and subsidies									
Households	21	1	-	22	22	-	100%	14	14
Payments for capital assets									
Machinery and equipment	1 176	1 643	6	2 825	2 825	-	100%	1 431	1 430
Intangible assets	-	-	-	-	-	-	-	17	17
Payments for financial assets	-	14	-	14	14	-	100%	-	-
TOTAL	32 472	-	777	33 249	33 249	-	100%	25 254	25 210

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 2 - INTEGRATED ECONOMIC DEVELOPMENT SERVICES for the year ended 31 March 2014									
Detail per Sub-Programme	2013/14							2012/13	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Expen- diture	Vari- ance	Expen- diture as % of final appro- priation %	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
2.1 ENTERPRISE DEVELOPMENT									
Current payment	12 154	198	13	12 365	12 365	-	100%	9 465	9 465
Transfers and subsidies	19 235	60	-	19 295	19 295	-	100%	16 755	16 755
Payment for capital assets	187	(23)	-	164	164	-	100%	63	61
Payment for financial assets	-	4	-	4	4	-	100%	-	-
2.2 REGIONAL AND LOCAL ECONOMIC DEVELOPMENT									
Current payment	7 953	(47)	-	7 906	7 906	-	100%	6 223	6 223
Transfers and subsidies	-	-	-	-	-	-	-	7 054	7 054
Payment for capital assets	53	14	-	67	67	-	100%	51	38
Payment for financial assets	15	-	-	15	15	-	100%	-	-
2.3 ECONOMIC EMPOWERMENT									
Current payment	3 737	(40)	-	3 697	3 697	-	100%	5 370	5 370
Transfers and subsidies	-	-	-	-	-	-	-	17	17
Payment for capital assets	-	-	-	-	-	-	-	119	118
2.4 RED TAPE REDUCTION									
Current payment	4 677	(246)	-	4 431	4 431	-	100%	4 357	4 357
Transfers and subsidies	200	-	-	200	200	-	100%	-	-
Payment for capital assets	34	17	-	51	51	-	100%	-	-
2.5 MANAGEMENT: INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
Current payment	1 741	43	-	1 784	1 784	-	100%	1 761	1 761
Payment for capital assets	8	20	-	28	28	-	100%	87	87
TOTAL	49 994	-	13	50 007	50 007	-	100%	51 322	51 306

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 2 - INTEGRATED ECONOMIC DEVELOPMENT SERVICES for the year ended 31 March 2014									
Programme 2 per Economic Classification	2013/14							2012/13	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Expen- diture	Vari- ance	Expen- diture as % of final appro- priation %	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments									
Compensation of employees	17 241	68	13	17 322	17 322	-	100%	15 077	15 077
Goods and services	13 021	(160)	-	12 861	12 861	-	100%	12 099	12 099
Transfers and subsidies									
Departmental agencies and accounts	5 000	-	-	5 000	5 000	-	100%	4 500	4 500
Higher education institutions	100	150	-	250	250	-	100%	-	-
Public corporations and private enterprises	6 000	(150)	-	5 850	5 850	-	100%	8 054	8 054
Non-profit institutions	7 900	-	-	7 900	7 900	-	100%	11 255	11 255
Households	435	60	-	495	495	-	100%	17	17
Payment for capital assets									
Machinery and equipment	282	28	-	310	310	-	100%	320	304
Payments for financial assets	15	4	-	19	19	-	100%	-	-
TOTAL	49 994	-	13	50 007	50 007	-	100%	51 322	51 306

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 3 – TRADE AND SECTOR DEVELOPMENT for the year ended 31 March 2014									
Detail per Sub-Programme	2013/14							2012/13	
	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
3.1 TRADE AND INVESTMENT PROMOTION									
Transfers and subsidies	21 481	-	-	21 481	21 481	-	100%	18 500	18 500
3.2 SECTOR DEVELOPMENT									
Current payment	12 330	(766)	-	11 564	11 564	-	100%	12 639	12 639
Transfers and subsidies	33 864	880	-	34 744	34 744	-	100%	32 357	32 077
Payment for capital assets	201	(104)	-	97	97	-	100%	87	87
3.3 STRATEGIC INITIATIVES									
Current payment	34 432	(5 157)	-	29 275	26 687	2 588	91.2%	26 639	26 639
Transfers and subsidies	25 950	5 004	-	30 954	27 954	3 000	90.3%	10 778	10 078
Payment for capital assets	49	85	-	134	134	-	100%	154	154
3.4 MANAGEMENT: TRADE AND INDUSTRY DEVELOPMENT									
Current payment	1 521	37	-	1 558	1 558	-	100%	1 062	1 062
Payment for capital assets	-	21	-	21	21	-	100%	60	60
TOTAL	129 828	-	-	129 828	124 240	5 588	95.7%	102 276	101 296

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 3 – TRADE AND SECTOR DEVELOPMENT for the year ended 31 March 2014									
Programme 3 per Economic Classification	2013/14							2012/13	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Expen- diture	Vari- ance	Expen- diture as % of final appro- priation %	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments									
Compensation of employees	18 809	(42)	-	18 767	18 767	-	100%	16 103	16 103
Goods and services	29 474	(5 844)	-	23 630	21 042	2 588	89.0%	24 237	24 237
Transfers and subsidies									
Provinces and municipalities	5 150	-	-	5 150	5 150	-	100%	-	-
Departmental agencies and accounts	26 761	2 455	-	29 216	29 216	-	100%	24 762	24 762
Higher education institutions	550	-	-	550	550	-	100%	-	-
Public corporations and private enterprises	4 700	(1 200)	-	3 500	500	3 000	14.3%	-	-
Non-profit institutions	44 134	4 629	-	48 763	48 763	-	100%	36 870	35 890
Households	-	-	-	-	-	-	-	3	3
Payment for capital assets									
Machinery and equipment	250	(3)	-	247	247	-	100%	275	275
Intangible assets	-	5	-	5	5	-	100%	26	26
TOTAL	129 828	-	-	129 828	124 240	5 588	95.7%	102 276	101 296

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 4 – BUSINESS REGULATION AND GOVERNANCE for the year ended 31 March 2014									
Detail per Sub-Programme	2013/14							2012/13	
	Adjusted Appropriation R'000	Shift-ing of Funds R'000	Vire-ment R'000	Final Appro-riation R'000	Actual Expen-diture R'000	Vari-ance R'000	Expen-diture as % of final appro-riation %	Final Appro-riation R'000	Actual Expen-diture R'000
4.1 CONSUMER PROTECTION									
Current payment	10 282	12	-	10 294	10 294	-	100%	9 681	9 681
Transfers and subsidies	3	-	-	3	3	-	100%	-	-
Payment for capital assets	87	-	-	87	87	-	100%	165	114
4.2 LIQUOR REGULATION									
Current payment	173	(12)	-	161	161	-	100%	263	263
Transfers and subsidies	30 936	-	-	30 936	30 936	-	100%	24 762	24 762
TOTAL	41 481	-	-	41 481	41 481	-	100%	34 871	34 820

Detail per Programme 4 – BUSINESS REGULATION AND GOVERNANCE for the year ended 31 March 2014									
Programme 4 per Economic Classification	2013/14							2012/13	
	Adjusted Appropriation R'000	Shift-ing of Funds R'000	Vire-ment R'000	Final Appro-riation R'000	Actual Expen-diture R'000	Vari-ance R'000	Expen-diture as % of final appro-riation %	Final Appro-riation R'000	Actual Expen-diture R'000
Current payments									
Compensation of employees	7 579	(5)	-	7 574	7 574	-	100%	7 306	7 306
Goods and services	2 876	5	-	2 881	2 881	-	100%	2 638	2 638
Transfers and subsidies									
Departmental agencies and accounts	30 936	-	-	30 936	30 936	-	100%	24 762	24 762
Households	3	-	-	3	3	-	100%	-	-
Payment for capital assets									
Machinery and equipment	87	-	-	87	87	-	100%	165	114
TOTAL	41 481	-	-	41 481	41 481	-	100%	34 871	34 820

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 5 – ECONOMIC PLANNING for the year ended 31 March 2014									
Detail per Sub-Programme	2013/14							2012/13	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Expen- diture	Vari- ance	Expen- diture as % of final appro- priation %	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
5.1 POLICY AND PLANNING									
Current payment	11 893	(1 517)	-	10 376	10 376	-	100%	1 697	1 697
Transfers and subsidies	2 250	1 521	-	3 771	3 771	-	100%	7 850	7 850
Payment for capital assets	10	(1)	-	9	9	-	100%	8	-
Payment for financial assets	-	3	-	3	3	-	100%	-	-
5.2 RESEARCH AND DEVELOPMENT									
Current payment	6 609	189	(1 082)	5 716	5 710	6	99.9%	6 784	6 784
Payment for capital assets	149	(84)	-	65	65	-	100%	21	21
5.3 KNOWLEDGE MANAGEMENT									
Current payment	3 117	(281)	-	2 836	2 836	-	100%	2 862	2 862
Transfers and subsidies	-	29	-	29	29	-	100%	-	-
Payment for capital assets	36	248	-	284	284	-	100%	152	147
5.4 MONITORING AND EVALUATION									
Current payment	3 021	(1 073)	(73)	1 875	1 875	-	100%	2 633	2 633
Transfers and subsidies	-	1	-	1	1	-	100%	10	10
Payment for capital assets	70	(31)	-	39	39	-	100%	1	1
5.5 ECONOMIC DEVELOPMENT PARTNERSHIP									
Current payment	-	-	-	-	-	-	-	2 708	2 708
Transfers and subsidies	8 696	996	-	9 692	9 692	-	100%	-	-
Payment for capital assets	-	-	-	-	-	-	-	34	24
TOTAL	35 851	-	(1 155)	34 696	34 690	6	100%	24 760	24 737

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 5 - ECONOMIC PLANNING for the year ended 31 March 2014									
Programme 5 per Economic Classification	2013/14							2012/13	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appropriation	Actual Expenditure	Vari- ance	Expen- diture 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									
Compensation of employees	9 773	-	(73)	9 700	9 700	-	100%	9 355	9 355
Goods and services	14 867	(2 683)	(1 082)	11 102	11 096	6	99.9%	7 329	7 329
Transfers and subsidies									
Non-profit organisations	10 946	2 496	-	13 442	13 442	-	100%	7 850	7 850
Households	-	51	-	51	51	-	100%	10	10
Payment for capital assets									
Machinery and equipment	265	77	-	342	342	-	100%	216	193
Intangible assets	-	56	-	56	56	-	100%	-	-
Payments for financial assets	-	3	-	3	3	-	100%	-	-
TOTAL	35 851	-	(1 155)	34 696	34 690	6	100%	24 760	24 737

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 6 – TOURISM, ARTS AND ENTERTAINMENT for the year ended 31 March 2014									
Detail per Sub-Programme	2013/14							2012/13	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Expen- diture	Vari- ance	Expen- diture as % of final appro- priation %	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
6.1 TOURISM PLANNING									
Current payment	3 852	10	-	3 862	3 862	-	100%	3 506	3 506
Payment for capital assets	1	-	-	1	1	-	100%	55	27
6.2 TOURISM GROWTH AND DEVELOPMENT									
Current payment	5 202	(406)	-	4 796	4 796	-	100%	4 501	4 500
Transfers and subsidies	-	24	-	24	24	-	100%	3	3
Payment for capital assets	34	(16)	-	18	18	-	100%	70	61
6.3 TOURISM SECTOR TRANSFORMATION									
Current payment	7 469	(132)	-	7 337	7 337	-	100%	7 366	7 366
Transfers and subsidies	1 300	(30)	-	1 270	1 270	-	100%	1 111	1 111
Payment for capital assets	82	13	-	95	95	-	100%	46	16
Payment for financial assets	-	-	-	-	-	-	-	15	15
6.4 DESTINATION MARKETING ORGANISATION									
Transfers and subsidies	22 000	600	-	22 600	22 600	-	100%	25 000	25 000
6.5 COMMERCIAL ARTS AND ENTERTAINMENT									
Current payment	1 084	(66)	-	1 018	1 018	-	100%	1 786	1 786
Transfers and subsidies	6 519	-	-	6 519	6 519	-	100%	6 925	6 925
Payment for capital assets	17	3	(6)	14	14	-	100%	29	29
TOTAL	47 560	-	(6)	47 554	47 554	-	100%	50 413	50 345

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 6 – TOURISM, ARTS AND ENTERTAINMENT for the year ended 31 March 2014									
Programme 6 per Economic Classification	2013/14							2012/13	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appropriation	Actual Expen- diture	Vari- ance	Expen- diture as % of final appropriation %	Final Appropriation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments									
Compensation of employees	12 801	(301)	-	12 500	12 500	-	100.0%	12 336	12 336
Goods and services	4 807	(294)	-	4 513	4 513	-	100.0%	4 822	4 821
Transfers and subsidies									
Departmental agencies and accounts	24 500	600	-	25 100	25 100	-	100.0%	27 000	27 000
Non-profit organisations	4 000	-	-	4 000	4 000	-	100.0%	4 920	4 920
Households	1 319	(6)	-	1 313	1 313	-	100.0%	1 120	1 120
Payment for capital assets									
Machinery and equipment	133	1	(6)	128	128	-	100.0%	200	133
Payments for financial assets	-	-	-	-	-	-	-	15	15
TOTAL	47 560	-	(6)	47 554	47 554	-	100.0%	50 413	50 345

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 7 - SKILLS DEVELOPMENT AND INNOVATION for the year ended 31 March 2014									
Detail per Sub-Programme	2013/14							2012/13	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Expen- diture	Vari- ance	Expen- diture as % of final appro- priation %	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
7.1 PROVINCIAL SKILLS COORDINATION									
Current payment	6 960	(3 493)	-	3 467	3 467	-	100%	2 110	2 110
Transfers and subsidies	5 181	3 622	-	8 803	8 803	-	100%	1 685	1 685
Payment for capital assets	79	1	-	80	80	-	100%	10	10
7.2 WORKFORCE DEVELOPMENT									
Current payment	14 956	(1 175)	371	14 152	14 152	-	100%	9 889	9 889
Transfers and subsidies	6 136	-	-	6 136	6 136	-	100%	10 980	10 980
Payment for capital assets	74	67	-	141	141	-	100%	39	1
7.3 INNOVATION									
Current payment	1 022	217	-	1 239	1 239	-	100%	873	873
Payment for capital assets	6	(6)	-	-	-	-	-	15	-
7.4 MANAGEMENT: SKILLS DEVELOPMENT									
Current payment	1 332	801	-	2 133	2 133	-	100%	1 065	1 065
Payment for capital assets	41	(34)	-	7	7	-	100%	23	17
TOTAL	35 787	-	371	36 158	36 158	-	100%	26 689	26 630

Appropriation Statement for the Year ended 31 March 2014

Detail per Programme 7 - SKILLS DEVELOPMENT AND INNOVATION for the year ended 31 March 2014									
Programme 7 per Economic Classification	2013/14							2012/13	
	Adjusted Appropriation	Shift- ing of Funds	Vire- ment	Final Appro- priation	Actual Expen- diture	Vari- ance	Expen- diture as % of final appro- priation %	Final Appro- priation	Actual Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments									
Compensation of employees	6 066	949	371	7 386	7 386	-	100%	4 242	4 242
Goods and services	18 204	(4 599)	-	13 605	13 605	-	100%	9 696	9 695
Transfers and subsidies									
Departmental agencies and accounts	2 813	-	-	2 813	2 813	-	100%	-	-
Public corporations and private enterprises	626	-	-	626	626	-	100%	300	300
Non-profit organisations	7 861	3 622	-	11 483	11 483	-	100%	12 365	12 365
Households	17	-	-	17	17	-	100%	-	-
Payment for capital assets									
Machinery and equipment	200	28	-	228	228	-	100%	86	28
TOTAL	35 787	-	371	36 158	36 158	-	100%	26 689	26 630

Notes to the Appropriation Statement for the Year ended 31 March 2014

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

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 R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Administration	33 249	33 249	-	0%
Integrated Economic Development Services	50 007	50 007	-	0%
Trade and Sector Development The unspent 2013/14 Goods and Services is due to the Interactive Community Access Network (ICAN) project not being implemented at year- end. Transfers and subsidies: Underspending is the result of the transfer to Technology Innovation Agency not being finalised at year end. A rollover has been requested from Provincial Treasury.	129 828	124 240	5 588	4%
Business Regulation and Governance	41 481	41 481	-	0%
Economic Planning	34 696	34 690	6	0%
Tourism, Arts and Entertainment	47 554	47 554	-	0%
Skills Development and Innovation	36 158	36 158	-	0%

Notes to the Appropriation Statement for the Year ended 31 March 2014

4.2 Per economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Current payments				
Compensation of employees	90 791	90 791	-	0%
Goods and services	81 438	78 844	2 594	3%
Transfers and subsidies				
Provinces and municipalities	5 150	5 150	-	0%
Departmental agencies and accounts	93 065	93 065	-	0%
Higher education institutions	800	800	-	0%
Public corporations and private enterprises	9 976	6 976	3 000	30%
Non-profit institutions	85 589	85 589	-	0%
Households	1 901	1 901	-	0%
Payments for capital assets				
Machinery and equipment	4 167	4 167	-	0%
Intangible assets	61	61	-	0%
Payments for financial assets	36	36	-	0%

Goods and services: Underspending is due to the Interactive Community Access Network (ICAN) project not being implemented at year-end.

Transfers and subsidies: Underspending is the result of the transfer to Technology Innovation Agency not being finalised at year-end. A rollover has been requested from Provincial Treasury.

Statement of Financial Performance
for the Year ended 31 March 2014

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR
ENDED 31 MARCH 2014**

	<i>Note</i>	2013/14 R'000	2012/13 R'000
REVENUE			
Annual appropriation	1	372 973	315 585
Departmental revenue	2	4 695	12 229
TOTAL REVENUE		377 668	327 814
EXPENDITURE			
Current expenditure			
Compensation of employees	3	90 791	80 253
Goods and services	4	78 844	68 734
Total current expenditure		169 635	148 987
Transfers and subsidies			
Transfers and subsidies	6	193 480	162 822
Total transfers and subsidies		193 480	162 822
Expenditure for capital assets			
Tangible assets	7	4 167	2 477
Intangible assets	7	61	43
Total expenditure for capital assets		4 228	2 520
Payments for financial assets	5	36	15
TOTAL EXPENDITURE		367 379	314 344
SURPLUS FOR THE YEAR		10 289	13 470
Reconciliation of Net Surplus for the year			
Voted funds		5 594	1 241
Departmental revenue and NRF Receipts	13	4 695	12 229
SURPLUS FOR THE YEAR		10 289	13 470

Statement of Financial Position
for the Year ended 31 March 2014

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
ASSETS			
Current assets		8 221	1 462
Cash and cash equivalents	8	7 948	926
Prepayments and advances	9	61	25
Receivables	10	212	511
Non-current assets		142 000	142 000
Investments	11	142 000	142 000
TOTAL ASSETS		150 221	143 462
LIABILITIES			
Current liabilities		8 171	1 306
Voted funds to be surrendered to the Revenue Fund	12	5 594	1 241
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	160	60
Payables	14	2 417	5
TOTAL LIABILITIES		8 171	1 306
NET ASSETS		142 050	142 156
Represented by			
Capitalisation reserve		142 000	142 000
Recoverable revenue		50	156
TOTAL		142 050	142 156

Statement of Changes in Net Assets
for the Year ended 31 March 2014

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED
31 MARCH 2014**

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Capitalisation Reserves			
Opening balance		142 000	142 000
Closing balance		<u>142 000</u>	<u>142 000</u>
Recoverable revenue			
Opening balance		156	42
Transfers		(106)	114
Debts revised		7	4
Debts recovered (included in departmental receipts)		(122)	(1)
Debts raised		9	111
Closing balance		<u>50</u>	<u>156</u>
TOTAL		<u><u>142 050</u></u>	<u><u>142 156</u></u>

Cash Flow Statement for the Year ended 31 March 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		404 555	345 154
Annual appropriated funds received	1.1	372 973	315 585
Departmental revenue received	2	31 568	29 560
Interest received	2.2	14	9
Net decrease in working capital		2 675	112
Surrendered to Revenue Fund		(32 723)	(30 557)
Current payments		(169 635)	(148 987)
Payments for financial assets		(36)	(15)
Transfers and subsidies paid		(193 480)	(162 822)
Net cash flow available from operating activities	15	11 356	2 885
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(4 228)	(2 520)
Net cash flows from investing activities		(4 228)	(2 520)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)/increase in net assets		(106)	114
Net cash flows from financing activities		(106)	114
Net increase in cash and cash equivalents		7 022	479
Cash and cash equivalents at beginning of period		926	447
Cash and cash equivalents at end of period	16	7 948	926

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.</p> <p>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.</p> <p>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.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p> <p>Under the modified cash basis of accounting, only certain elements are recognised in the Statement of Financial Position and Statement of Financial Performance, while others are recorded for presentation as disclosure notes. Elements are primarily recognised when they arise from cash inflows 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 or its equivalent is received or paid.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rand using the exchange rates prevailing at the date of payment/receipt.</p>
6	<p>Comparatives</p> <p>Except when the Standard permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information shall be included for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.</p>
7	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
8	<p>Revenue</p>
8.1	<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>
8.2	<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>

Accounting Policies for the Year ended 31 March 2014

8.3	<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>
9	Expenditure
9.1	Compensation of employees
9.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
9.1.2	<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>
9.2	<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>
9.2.1	<p>Payments for financial assets</p> <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 disclosure notes to the financial statements. All other losses are recognised when authorisation has been granted for the recognition thereof.</p>
9.2.2	<p>Transfers and subsidies</p> <p>Transfers and subsidies are recognised as an expense when the financial authorisation for payment is effected on the system (by no later than 31 March of each year).</p>
9.3	<p>Accrued expenditure payable</p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the Department.</p> <p>Accrued expenditure payable is measured at cost at reporting date.</p>
9.4	Leases
9.4.1	<p>Operating leases</p> <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>
9.4.2	<p>Finance leases</p> <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.

Accounting Policies for the Year ended 31 March 2014

10	Aid assistance
10.1	<p>Aid assistance received</p> <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>
10.2	<p>Aid assistance paid</p> <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>
11	<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.</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>
12	<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>
13	<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.</p>
14	<p>Inventory</p> <p>Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition. All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.</p>
15	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
16	<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> <p>The Department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairments is done at each reporting date. An estimate is made for doubtful loans and receivables based on review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the cost and the present value of the expected future cash flow/service potential flowing from the investment. Specific information with regard to impairment of investment is included in the notes.</p>
17	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
18	<p>Net assets</p> <p>Capitalisation reserves</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 reporting period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
19	<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 National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written off.</p>

Accounting Policies for the Year ended 31 March 2014

20	Capital Assets
20.1	<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. Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. 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>
20.2	<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. Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project. Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. 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>
21	Provisions and Contingents
21.1	<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>
21.2	<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>
21.3	<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>
21.4	<p>Commitments</p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
22	<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>

Accounting Policies for the Year ended 31 March 2014

23	<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>
24	<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 therefore 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>
25	<p>Related parties</p> <p>Specific information with regard to related parties are included in the disclosure notes (see note 24 to the Annual Financial Statements).</p>
26	<p>Key management personnel</p> <p>Compensation paid to key management personnel including their family members where relevant is included in the disclosure notes (see note 25 to the Annual Financial Statements).</p>
27	<p>Non-adjusting events after the reporting date</p> <p>Specific information with regard to non-adjusting events after the reporting date is included in the disclosure notes (see note 23 and 26 to the Annual Financial Statements).</p>
28	<p>Agent-Principal arrangements</p> <p>Specific information with regard to Agent-Principal relationships is included in the disclosure notes.</p>
29	<p>Public private partnerships</p> <p>A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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:

	2013/14			2012/13
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	33 249	33 249	-	25 254
Integrated Economic Development Services	50 007	50 007	-	51 322
Trade and Sector Development	129 828	129 828	-	102 276
Business Regulation and Governance	41 481	41 481	-	34 871
Economic Planning	34 696	34 696	-	24 760
Tourism, Arts and Entertainment	47 554	47 554	-	50 413
Skills Development and Innovation	36 158	36 158	-	26 689
Total	372 973	372 973	-	315 585

2. DEPARTMENTAL REVENUE

	Note	2013/14	2012/13
		R'000	R'000
Tax revenue		28 328	24 822
Sales of goods and services other than capital assets	2.1	389	418
Interest, dividends and rent on land	2.2	14	9
Transactions in financial assets and liabilities	2.3	2 851	4 320
Total revenue collected		31 582	29 569
Less: Own revenue included in appropriation	13	26 887	17 340
Departmental revenue collected		4 695	12 229

The increase in the tax revenue is due to the application of the revised rates for liquor licence fees and administration costs in terms of the Western Cape Liquor Act (4/2008).

Notes to the Annual Financial Statements for the Year ended 31 March 2014

2.1 Sales of goods and services other than capital assets

	<i>Note</i>	2013/14	2012/13
	2	R'000	R'000
Sales of goods and services produced by the Department		389	418
Administrative fees		377	390
Other sales		12	28
Total		389	418

2.2 Interest, dividends and rent on land

	<i>Note</i>	2013/14	2012/13
	2	R'000	R'000
Interest		14	9
Total		14	9

2.3 Transactions in financial assets and liabilities

	<i>Note</i>	2013/14	2012/13
	2	R'000	R'000
Other Receipts including Recoverable Revenue		2 851	4 320
Total		2 851	4 320

3. COMPENSATION OF EMPLOYEES

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Basic salary		61 843	55 241
Performance award		1 396	981
Service Based		168	72
Compensative/circumstantial		2 429	1 771
Periodic payments		2 113	1 509
Other non-pensionable allowances		13 795	12 390
Total		81 744	71 964

Notes to the Annual Financial Statements for the Year ended 31 March 2014

3.1 Social contributions

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Employer contributions			
Pension		6 891	6 189
Medical		2 141	2 088
Bargaining council		15	12
Total		9 047	8 289
Total compensation of employees			
		90 791	80 253
Average number of employees		234	230

4. GOODS AND SERVICES

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Administrative fees		174	139
Advertising		4 672	2 213
Minor assets	4.1	702	478
Bursaries (employees)		190	308
Catering		1 331	1 259
Communication		1 798	1 780
Computer services	4.2	1 105	625
Consultants, contractors and agency/outsourced services	4.3	52 719	49 300
Entertainment		46	71
Audit cost - external	4.4	3 392	2 420
Inventory	4.5	1 647	1 546
Operating leases		762	386
Rental and hiring		63	65
Travel and subsistence	4.6	5 021	4 342
Venues and facilities		1 333	1 019
Training and development		2 981	1 657
Other operating expenditure	4.7	908	1 126
Total		78 844	68 734

Notes to the Annual Financial Statements for the Year ended 31 March 2014

The Department's advertising costs increased due to a focus on marketing campaigns to raise awareness on key services offered by the Department to the public, for example Red Tape Reduction and Entrepreneurship Promotion.

The Department undertook a competency-building strategy in order to engender professionalization of public servants. This resulted in an increase in training and development costs.

4.1 Minor assets

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Tangible assets		683	464
Machinery and equipment	4	683	464
Intangible assets		19	14
Total		702	478

4.2 Computer services

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
SITA computer services		382	310
External computer service providers	4	723	315
Total		1 105	625

4.3 Consultants, contractors and agency/outsourced services

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Business and advisory services		50 093	45 952
Legal costs	4	45	91
Contractors		396	538
Agency and support/outsourced services		2 185	2 719
Total		52 719	49 300

The significant increase in business advisory services relates to the impact of PSO1 and the additional functions that were incorporated into the key objectives of the Department relating to infrastructure projects (IT infrastructure). These projects generally require a specialised skill and are quite costly over a period of time.

Notes to the Annual Financial Statements for the Year ended 31 March 2014

4.4 Audit cost - External

	<i>Note</i>	2013/14	2012/13
	4	R'000	R'000
Regularity audits		3 392	2 420
Total		3 392	2 420

4.5 Inventory

	<i>Note</i>	2013/14	2012/13
	4	R'000	R'000
Food and food supplies		43	36
Other consumables		19	52
Materials and supplies		44	21
Stationery and printing		1 536	1 437
Medical supplies		5	-
Total		1 647	1 546

In terms of the Modified Cash Standard, stationery and printing and consumables are excluded from the definition of inventory. However, these items are disclosed under Inventory due to Standard Chart of Accounts classification.

4.6 Travel and subsistence

	<i>Note</i>	2013/14	2012/13
	4	R'000	R'000
Local		3 803	3 729
Foreign		1 218	613
Total		5 021	4 342

As part of the Department's drive to promote investment promotion into the province, the Department embarked on a number of overseas travels. This allowed the Department to market itself on international platforms and learn and adopt best practices in regional economies.

Notes to the Annual Financial Statements for the Year ended 31 March 2014

4.7 Other operating expenditure

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Resettlement costs	4	1	91
Other *		907	1 035
Total		908	1 126

*Included in the disclosure for "Other" is an amount of R883 827 paid for printing and publication expenditure such as Annual Reports, Consumer Protector Booklets and the Annual Performance Plan.

5. PAYMENTS FOR FINANCIAL ASSETS

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Debts written off	5.1	36	15
Total		36	15

5.1 Debts written off

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Damages to hired vehicle (1 case)	5	3	-
Debt accounts written off (5 cases)		18	15
Equipment loss written off (1 case)		15	-
Total		36	15
Total debt written off		36	15

Notes to the Annual Financial Statements for the Year ended 31 March 2014

6. TRANSFERS AND SUBSIDIES

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Provinces and municipalities	Annex 1A	5 150	-
Departmental agencies and accounts	Annex 1B	93 065	81 024
Higher education institutions	Annex 1C	800	-
Public corporations and private enterprises	Annex 1D	6 976	8 354
Non-profit institutions	Annex 1E	85 589	72 280
Households	Annex 1F	1 900	1 164
Total		193 480	162 822

7. EXPENDITURE FOR CAPITAL ASSETS

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Tangible assets		4 167	2 477
Machinery and equipment	27	4 167	2 477
Intangible assets		61	43
Software	28	61	43
Total		4 228	2 520

7.1 Analysis of funds utilised to acquire capital assets - 2013/14

	Voted Funds R'000	Aid Assistance R'000	Total R'000
Tangible assets	4 167	-	4 167
Machinery and equipment	4 167	-	4 167
Intangible assets	61	-	61
Software	61	-	61
Total	4 228	-	4 228

Notes to the Annual Financial Statements for the Year ended 31 March 2014

7.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted Funds R'000	Aid Assistance R'000	Total R'000
Tangible assets	2 477	-	2 477
Machinery and equipment	2 477	-	2 477
Intangible assets	43	-	43
Software	43	-	43
Total	2 520	-	2 520

8. CASH AND CASH EQUIVALENTS

	Note	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General Account		7 918	896
Cash on hand		30	30
Total		7 948	926

9. PREPAYMENTS AND ADVANCES

	Note	2013/14 R'000	2012/13 R'000
Travel and subsistence		61	25
Total		61	25

Travel and subsistence includes advances for overseas travel.

Notes to the Annual Financial Statements for the Year ended 31 March 2014

10. RECEIVABLES

	2013/14					2012/13
		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Claims recoverable	10.1, Annex 3	-	-	-	-	176
Recoverable expenditure	10.2	10	83	7	100	116
Staff debt	10.3	43	57	12	112	219
Total		53	140	19	212	511

10.1 Claims recoverable

	Note	2013/14	2012/13
		R'000	R'000
Provincial departments		-	41
Public entities		-	135
Total		-	176

10.2 Recoverable expenditure (disallowance accounts)

	Note	2013/14	2012/13
		R'000	R'000
Disallowance damages and losses		99	108
Sal: Income Tax		1	-
Sal: Tax debt		-	8
Total		100	116

Notes to the Annual Financial Statements for the Year ended 31 March 2014

10.3 Staff debt

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Debt account	10	112	219
Total		112	219

11. INVESTMENTS

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Non-current			
Shares and other equity			
Cape Town International Convention Centre		142 000	142 000
Total		142 000	142 000
Analysis of non-current investments			
Opening balance		142 000	142 000
Closing balance		142 000	142 000

11.1 Impairment of investments

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Estimate of impairment		72 233	72 233
Total		72 233	72 233

The calculation of the impairment is based on the percentage shareholding in the Cape Town International Convention Centre (Convenco).

The Provincial Government of the Western Cape has a shareholding of 25% in the Cape Town International Convention Centre Company (Pty) Ltd.

Notes to the Annual Financial Statements for the Year ended 31 March 2014

12. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Opening balance		1 241	981
Transfer from statement of financial performance		5 594	1 241
Paid during the year		(1 241)	(981)
Closing balance		5 594	1 241

13. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Opening balance		60	67
Transfer from Statement of Financial Performance		4 695	12 229
Own revenue included in appropriation		26 887	17 340
Paid during the year		(31 482)	(29 576)
Closing balance		160	60

14. PAYABLES - CURRENT

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Advances received	14.1	2 404	-
Other payables	14.2	13	5
Total		2 417	5

14.1 Advances received

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Development Bank of Southern Africa		2 404	-
Total		2 404	-

Notes to the Annual Financial Statements for the Year ended 31 March 2014

14.2 Other payables

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Debt account		1	-
Liquor Licence account		-	5
Sal: ACB Recalls		12	-
Total		13	5

15. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Net surplus as per Statement of Financial Performance		10 289	13 470
Add back non-cash/cash movements not deemed operating activities		1 067	(10 585)
Decrease in receivables – current		299	147
(Increase) in prepayments and advances		(36)	(15)
Increase/(decrease) in payables – current		2 412	(20)
Expenditure on capital assets		4 228	2 520
Surrenders to Revenue Fund		(32 723)	(30 557)
Own revenue included in appropriation		26 887	17 340
Net cash flow generated by operating activities		11 356	2 885

16. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Consolidated Paymaster General account		7 918	896
Cash on hand		30	30
Total		7 948	926

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

17.1 Contingent liabilities

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Liable to	Nature		
Claims against the Department	Annex 2	240	240
Total		240	240

The Department has forwarded five cases to Pillar for review. The Department does not expect these to result in a contingent liability.

18. COMMITMENTS

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Current expenditure		39 511	31 496
Approved and contracted		39 511	31 496
Capital expenditure		45	-
Approved and contracted		45	-
Total Commitments		39 556	31 496

There are two outstanding commitments that are longer than one year. These commitments relate to three year contracts for the broadband initiative as part of the infrastructure programme.

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

19. ACCRUALS

Listed by economic classification	2013/14 R'000			2012/13 R'000
	30 Days	30+ Days	Total	Total
Goods and services	93	638	731	1 427
Capital assets	-	-	-	14
Total	93	638	731	1 441

Listed by programme level	Note	2013/14	2012/13
		R'000	R'000
Programme 1		236	403
Programme 2		134	97
Programme 3		39	645
Programme 4		165	24
Programme 5		61	74
Programme 6		19	160
Programme 7		77	38
Total		731	1 441

	Note	2013/14	2012/13
		R'000	R'000
Confirmed balances with other departments	Annex 4	54	367
Total		54	367

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

20. EMPLOYEE BENEFITS

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Leave entitlement *		2 731	2 246
Service bonus (Thirteenth cheque)		2 011	1 863
Performance awards **		1 279	1 115
Capped leave commitments		869	579
Other ***		157	351
Total		7 047	6 154

* Included in the 2013/14 disclosure for leave entitlement is the negative amount of R106 714 for leave owed to the Department for those employees who went over their leave credits.

** Performance awards are calculated at 1.5% on the 2014/15 budget for Compensation of Employees for the Department.

*** "Other" refers to employee benefits, including overtime, paid after March 2014 pertaining to the 2013/14 financial year.

21. LEASE COMMITMENTS

21.1 Operating leases expenditure

2013/14	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	764	764
Later than 1 year and not later than 5 years	-	-	-	381	381
Total lease commitments	-	-	-	1 145	1 145

2012/13	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	801	801
Later than 1 year and not later than 5 years	-	-	-	957	957
Total lease commitments	-	-	-	1 758	1 758

These leases relate to the Department's photocopiers.

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

21.2 Finance leases expenditure

2013/14	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	88	88
Later than 1 year and not later than 5 years	-	-	-	19	19
Total lease commitments	-	-	-	107	107

2012/13	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	144	144
Later than 1 year and not later than 5 years	-	-	-	10	10
Total lease commitments	-	-	-	154	154

These finance leases relate to the Department's 3G cards.

21.3 Finance leases commitments

The arrangement between the Department of Economic Development and Tourism and GMT constitutes finance leases. The obligation in respect of the finance leases are presented below.

Lease payments	Within 1 year R'000	3-5 years R'000	More than 5 years R'000
2014	986	3 521	480
Total lease payments	986	3 521	480
2013	1 397	4 741	1 484
Total lease payments	1 397	4 741	1 484

The Department of Economic Development and Tourism leased 18 vehicles from GMT during 2014 (2013: 28). 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 of the vehicle. The agreement does not provide for contingent lease payments, and at the end of the useful life as determined by the lessor, the vehicles are returned where it is sold on auction for the benefit of the lessor.

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

22. ACCRUED DEPARTMENTAL REVENUE

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Tax revenue		-	1 857
Total		-	1 857

22.1 Analysis of accrued departmental revenue

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Opening balance		1 857	138
Less: amounts received		(1 857)	(138)
Add: amounts recognised		-	1 857
Closing balance		-	1 857

23. IRREGULAR EXPENDITURE

23.1 Reconciliation of irregular expenditure

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Opening balance		6 013	5 491
Add: Irregular expenditure - relating to current year		-	522
Irregular expenditure awaiting condonation		6 013	6 013
Analysis of awaiting condonation per age classification			
Current year		-	522
Prior years		6 013	5 491
Total		6 013	6 013

Non-compliance to paragraph 3.3.3 of National Treasury Practice Note No. 8 of 2007/08 issued in terms of Treasury Regulation 16A6.1.

Irregular expenditure amounting to R6 013 611 has been condoned by the Accounting Officer after the reporting period and therefore these cases are disclosed under note 26.

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

24. RELATED PARTY TRANSACTIONS

Payments made

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Goods and services		-	21
Total		-	21

The Department acquired the services of the Cape Town International Convention Centre during 2012/13 of which the expenditure is reflected in Goods and Services.

During the financial year the Department received services from the following related parties as indicated below:

- The Department occupied a building provided by the Department of Transport and Public Works free of charge.
- The Department of Economic Development and Tourism received corporate services from the Corporate Service Centre of the Department of the Premier in the Western Cape Province in respect of the following services free of charge:
 - Information and Communication Technology
 - Organisational Development
 - Provincial Training (transversal)
 - Human Resource Management
 - Enterprise Risk Management
 - Internal Audit
 - Forensic Investigations
 - Legal Services
 - Corporate Communication
- The Department has two public entities under its control:
 - Wesgro
 - Western Cape Liquor Authority
- A related party relationship exists between the Department and Government Motor Transport (GMT) with regard to the management of government motor vehicles of the Departments. This relationship is based on an arm's length transaction in terms of tariffs approved by Provincial Treasury.
- The Department of Economic Development and Tourism received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape Province.
- Mr S Fourie (Head of Department) is an ex-officio member of the Wesgro Board and is currently a director of Convenco.
- 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.
- All Provincial Departments within the Western Cape are related parties.

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

25. KEY MANAGEMENT PERSONNEL

	<i>No. of Individuals</i>	2013/14	2012/13
		R'000	R'000
Political office bearers			
Officials:			
Level 15 to 16	2	2 076	2 464
Level 14	6	5 526	4 856
Total		7 602	7 320

The Chief Financial Officer and one of the Chief Directors are domestic partners.

26. NON-ADJUSTING EVENTS AFTER REPORTING DATE

	2013/14
	R'000
Nature of event	
Irregular expenditure has been condoned by the Accounting Officer on 9 April 2014. These cases were removed from the departmental irregular expenditure register for the 2014/15 financial year.	6 013
Total	6 013

27. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	15 829	51	3 062	(2 971)	15 971
Transport assets	4 318	-	1 151	(1 378)	4 091
Computer equipment	4 704	45	1 390	(667)	5 472
Furniture and office equipment	4 381	6	453	(760)	4 080
Other machinery and equipment	2 426	-	68	(166)	2 328
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	15 829	51	3 062	(2 971)	15 971

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received cur- rent, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	4 166	-	(1 104)	-	3 062
Transport assets	2 141	-	(990)	-	1 151
Computer equipment	1 390	-	-	-	1 390
Furniture and office equipment	453	-	-	-	453
Other machinery and equipment	182	-	(114)	-	68
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	4 166	-	(1 104)	-	3 062

27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	2 971	2 971	-
Transport assets	-	1 378	1 378	-
Computer equipment	-	667	667	-
Furniture and office equipment	-	760	760	-
Other machinery and equipment	-	166	166	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	2 971	2 971	-

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

27.3 Movement for 2012/13

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	13 665	-	3 400	(1 236)	15 829
Transport assets	2 947	-	1 971	(600)	4 318
Computer equipment	4 592	-	737	(625)	4 704
Furniture and office equipment	4 009	-	383	(11)	4 381
Other machinery and equipment	2 117	-	309		2 426
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	13 665	-	3 400	(1 236)	15 829

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	15	-	3 761	-	3 776
Curr Year Adjustments to Prior Year balances	-	-	-	19	-	19
Additions	-	19	-	683	-	702
Disposals	-	(5)	-	(333)	-	(338)
TOTAL MINOR ASSETS	-	29	-	4 130	-	4 159

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	495	-	495
Number of minor assets at cost	-	8	-	2 377	-	2 385
TOTAL NUMBER OF MINOR ASSETS	-	8	-	2 872	-	2 880

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	6	-	3 408	-	3 414
Additions	-	9	-	469	-	478
Disposals	-	-	-	(116)	-	(116)
TOTAL MINOR ASSETS	-	15	-	3 761	-	3 776

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	573	-	573
Number of minor assets at cost	-	2	-	1 908	-	1 910
TOTAL NUMBER OF MINOR ASSETS	-	2	-	2 481	-	2 483

28. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	999	-	61	(76)	984
TOTAL INTANGIBLE CAPITAL ASSETS	999	-	61	(76)	984

Disclosure Notes to the Annual Financial Statements for the Year ended 31 March 2014

28.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2014

	Cash	Non-cash	(Develop- ment work in Progress- current costs)	Received cur- rent, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	61	-	-	-	61
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	61	-	-	-	61

28.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received
	R'000	R'000	R'000	R'000
SOFTWARE	-	76	76	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	76	76	-

28.3 Movement for 2012/13

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2013

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	956	-	43	-	999
TOTAL INTANGIBLE CAPITAL ASSETS	956	-	43	-	999

Annexures to the Annual Financial Statements
for the Year ended 31 March 2014

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2012/13
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department %	Amount received by Municipality	Amount spent by Municipality	% of available funds spent by Municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
City of Cape Town Municipality	2 350	-	-		2 350	-	-	2 350	2 350	100%	-
Saldanha Bay Municipality	2 800	-	-		2 800	-	-	2 800	2 800	100%	-
TOTAL	5 150	-	-		5 150	-	-	5 150	5 150		

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2012/13
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
National Research Foundation	1 200	-	-	1 200	1 200	100%	-
Small Enterprise Development Agency	5 000	-	-	5 000	5 000	100%	4 500
SABC	1	-	-	1	1	100%	-
Technology Innovation Agency	3 000	-	-	3 000	-	0%	-
Wesgro	55 928	-	-	55 928	55 928	100%	51 762
Western Cape Liquor Authority	30 936	-	-	30 936	30 936	100%	24 762
TOTAL	96 065	-	-	96 065	93 065		81 024

Annexures to the Annual Financial Statements for the Year ended 31 March 2014

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2012/13
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not transferred R'000	% of Available funds Transferred %	Appropriation Act R'000
Cape Peninsula University of Technology	250	-	-	250	250	-	100%	-
University of the Western Cape	550	-	-	550	550	-	100%	-
TOTAL	800	-	-	800	800	-		-

ANNEXURE 1D

STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2012/13
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Capital R'000	Current R'000	Appropriation Act R'000
Public Corporations									
Casidra (Pty) Ltd	5 500	-	-	5 500	5 500	100%	-	5 500	4 054
Development Bank of SA	-	-	-	-	-	-	-	-	4 000
Donations and Gifts: Private Enterprises	350	-	-	350	350	100%	-	350	-
Industrial Corp of South Africa	626	-	-	626	626	100%	-	626	300
Sanlam Personal Finance Limited	500	-	-	500	500	100%	-	500	-
TOTAL	6 976	-	-	6 976	6 976		-	6 976	8 354

Annexures to the Annual Financial Statements for the Year ended 31 March 2014

ANNEXURE 1E

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Avail-able funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
BPeSA	4 500	-	-	4 500	4 500	100%	7 669
Cape Clothing and Textile Cluster	2 500	-	-	2 500	2 500	100%	2 500
Cape Craft and Design Institute	10 695	-	-	10 695	10 695	100%	7 020
Cape Information and Technology Initiative (CITI)	9 712	-	-	9 712	9 712	100%	5 900
Cape Town Fashion Council	2 500	-	-	2 500	2 500	100%	2 913
Cape Town Partnership	800	-	-	800	800	100%	1 000
Clotex	3 000	-	-	3 000	3 000	100%	2 000
College of Cape Town	93	-	-	93	93	100%	85
Digital Village	2 000	-	-	2 000	2 000	100%	-
False Bay College	109	-	-	109	109	100%	-
Green Cape	9 450	-	-	9 450	9 450	100%	3 053
Home of Compassion	2 000	-	-	2 000	2 000	100%	-
Learning Cape Initiative	500	-	-	500	500	100%	1 300
National Empowerment Fund	6 600	-	-	6 600	6 600	100%	9 755
Northlink College	109	-	-	109	109	100%	10 980
Project Isizwe	2 000	-	-	2 000	2 000	100%	-
South African Oil and Gas Alliance	11 000	-	-	11 000	11 000	100%	5 400
South African Honeybush Tea Association	500	-	-	500	500	100%	200
The Business Place	550	-	-	550	550	100%	750
West Coast Business Development Centre	550	-	-	550	550	100%	750
Western Cape Aquaculture Development Initiative	2 550	-	-	2 550	2 550	100%	1 300
Western Cape Economic Development Partnership	10 541	-	-	10 541	10 541	100%	7 850
Western Cape Fine Food Initiative	1 500	-	-	1 500	1 500	100%	600
Western Cape Furniture Initiative	200	-	-	200	200	100%	400
Western Cape Tooling Initiative	1 630	-	-	1 630	1 630	100%	855
TOTAL	85 589	-	-	85 589	85 589		72 280

Annexures to the Annual Financial Statements for the Year ended 31 March 2014

ANNEXURE 1F

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjust-ments R'000	Total Available R'000	Actual Transfer R'000	% of Avail-able funds Transferred %	Appropriation Act R'000
Transfers							
Bursaries (non-employees)	1 270	-	-	1 270	1 270	100%	1 100
Donations and gifts (Monetary gifts given to the winners of the Entrepreneurship Recognition Awards)	495	-	-	495	495	100%	3
Injury on duty	2	-	-	2	2	100%	11
Leave gratuity (12 employees have left public service during the year)	133	-	-	133	133	100%	50
TOTAL	1 900	-	-	1 900	1 900		1 164

ANNEXURE 2

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

NATURE OF LIABILITY	Opening Balance 1 April 2013 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/re-duced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2014 R'000
Claims against the Department					
Crown Art (Pty) Ltd t/a Tretchikoff Foundation	240	-	-	-	240
In the case of Cape Film Commission (1103/12/P12), a motion has been filed. The Department will oppose the application. The court case is ongoing.					
TOTAL	240				240

Annexures to the Annual Financial Statements for the Year ended 31 March 2014

ANNEXURE 3

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000
Public Entity						
Government Motor Transport	-	41	-	-	-	41
Western Cape Liquor Authority	-	135	-	-	-	135
TOTAL	-	176	-	-	-	176

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000
Departments						
Current						
Department of the Premier	54	121	-	-	54	121
Department of Transport and Public Works	-	246	-	-	-	246
TOTAL	54	367	-	-	54	367

ANNEXURE 5

INTER-ENTITY ADVANCES RECEIVED (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000
Public Entities						
Current						
Development Bank of Southern Africa	2 404	-	-	-	2 404	-
TOTAL	2 404	-	-	-	2 404	-
Current	2 404	-	-	-	2 404	-

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