



**Western Cape
Government**

Economic Development
and Tourism



Annual Report 2017/18
Economic Development and Tourism

Department of Economic Development and Tourism

Province of the Western Cape

Annual Report
2017/18

SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

Mr Alan Winde
Minister of Economic Opportunities

I have the honour of submitting the Annual Report of the Department of Economic Development and Tourism for the period 1 April 2017 to 31 March 2018.



MR SOLLY FOURIE
ACCOUNTING OFFICER
DATE: 23 AUGUST 2018

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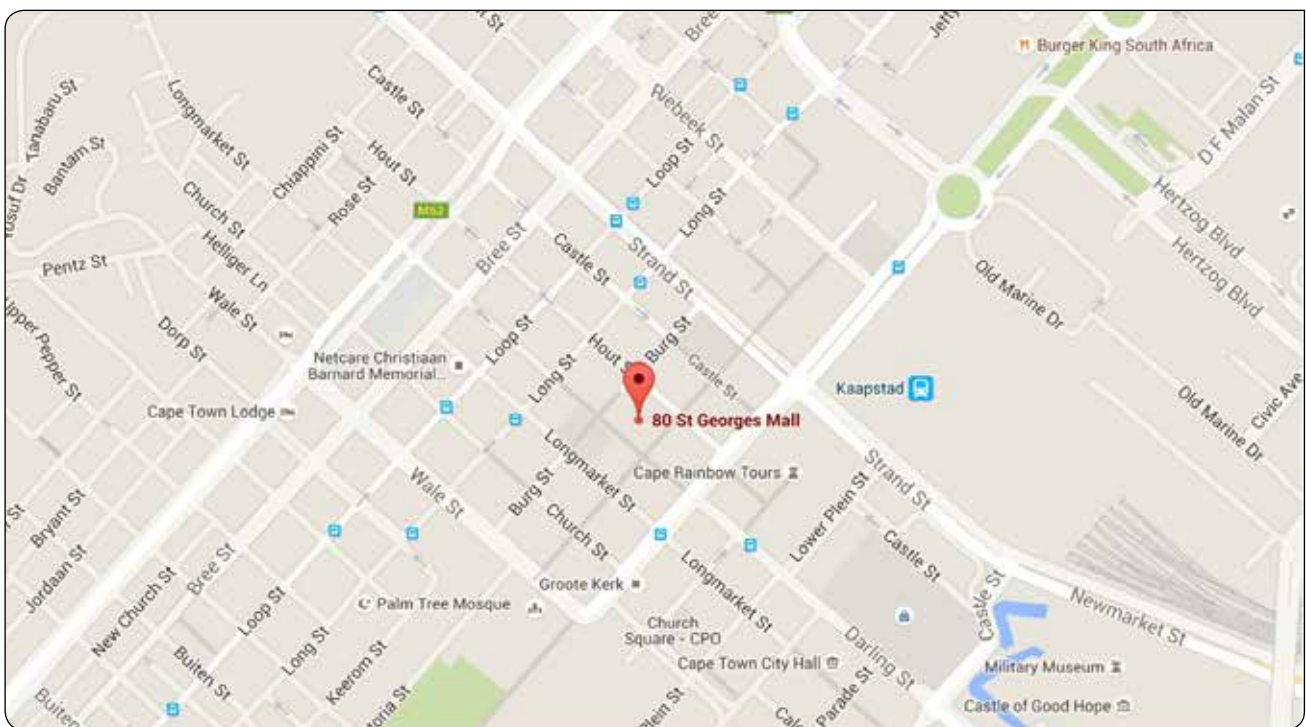


Part A: GENERAL INFORMATION

PART A: GENERAL INFORMATION

1. DEPARTMENT'S GENERAL INFORMATION

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Source: Google Maps, 2015

2. LIST OF ABBREVIATIONS/ACRONYMS

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

FET	Further Education and Training
GDP	Gross Domestic Product
GDPR	Gross Domestic Product per Region
GEM	Global Entrepreneurship Monitor
GMT	Government Motor Transport
HCT	HIV Counselling and Testing
HDI	Historically Disadvantaged Individual
HOD	Head of Department
HRD	Human Resource Development
HSP	Human Settlements Plan
ICAN	Integrated Community Access Network
ICAS	Independent Counselling and Advisory Service
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IDZ	Industrial Development Zone
IFRS	International Financial Reporting Standards
ISO	International Organisation for Standardisation
IT	Information Technology
JMA	Joint Marketing Agreement
KZN	KwaZulu-Natal
LED	Local Economic Development
LLT	Liquor Licencing Tribunal
LRA	Labour Relations Act
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MERO	Municipal Economic Review and Outlook
MOA	Memorandum of Agreement
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NDPW	National Department of Public Works
NDT	National Department of Tourism
NEF	National Empowerment Fund
NFVF	National Film and Video Foundation
NGO	Non-Governmental Organisation
NO	National Outcome
NPO	Non-Profit Organisation
NT	National Treasury
OCP	Office of the Consumer Protector
OD	Organisational Design
PACA	Participatory Appraisal of Competitive Advantage
PDO	Pre-determined Objectives
PERA	Premier's Entrepreneurship Recognition Awards
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PPP	Public Private Partnership
PSCBC	Public Service Commission Bargaining Chamber
PSDF	Provincial Skills Development Forum
PSG	Provincial Strategic Goal

PSG 1	Provincial Strategic Goal 1
PSO	Provincial Strategic Objective
PSP	Provincial Strategic Plan
PT	Provincial Treasury
PWD	People with Disabilities
RIA	Regulatory Impact Assessment
RIN	Regional Innovation Network
RLED	Rural and Local Economic Development
RPL	Recognition of Prior Learning
RTLCL	Regional Tourism Liaison Committee
SALGA	South African Local Government Association
SAOGA	South African Oil and Gas Alliance
SAPS	South African Police Service
SARS	South African Revenue Service
SAT	South African Tourism
SCM	Supply Chain Management
SCOPE	Standing Committee on Public Accounts
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SDA	Service Delivery Agreement
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority
SEZ	Special Economic Zone
SITA	State Information Technology Agency
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro Enterprises
SOE	State-owned Enterprise
SPV	Special Purpose Vehicle
STATSSA	Statistics South Africa
TGCSA	Tourism Grading Council of South Africa
TNPA	Transnet National Ports Authority
TSD	Trade and Sector Development
TFDS	Total Foreign Direct Spend
UCT	University of Cape Town
UK	United Kingdom
UNWTO	United Nations World Tourism Organisation
WCADI	Western Cape Aquaculture Initiative
WCFFI	Western Cape Fine Food Initiative
WCG	Western Cape Government
WCLA	Western Cape Liquor Authority
WCM	World Class Manufacturing
WCSD	Western Cape Supplier Database
WCTI	Western Cape Tooling Initiative
Wesgro	Western Cape Investment and Trade Promotion Agency
WISP	Western Cape Industrial Symbiosis Project
W&R SETA	Wholesale and Retail Sector Education and Training Authority

3. FOREWORD BY THE MINISTER

Our second term in office is heading towards a close and our efforts to meet the targets we set for ourselves are kicking into high gear.

The 2017/18 year was one of mixed fortunes for the South African economy - with the country slipping into a brief recession in 2017 and ratings agencies downgrading their forecasts. However, in the Western Cape, despite some trying conditions created by the drought and the political uncertainty in the country, we recorded some excellent successes.

The province performed consistently well in job creation numbers, jobs data for the fourth quarter of 2017 showing the province to be the leading creator of jobs in the country - creating 92 000 new jobs in the quarter and 106 000 new jobs year on year.

Provincial strategic goal number one is to grow the number of opportunities for growth and jobs.

Our Project Khulisa goals have outlined specific sectors which will play an important role in ensuring that we achieve this goal. Unfortunately, the drought has had an impact on agri-processing and put pressure on the tourism industry, but we are still able to report a net gain in employment since the introduction of the strategy.

The Department's trade and investment agency, Wesgro, has secured in excess of R7 billion in investment into the Western Cape and secured 64 trade deals valued at approximately R11.1 billion, since 2014. In 2017, Wesgro together with InvestSA launched the Cape Investment Centre in the Cape Town CBD, which provides a one stop shop to help investors set up their business.

In the tourism space, Gross Value Add grew by more than R2 billion or 11% - growth of more than five times that of the national average.

Some of our Project Khulisa projects have performed incredibly well, with the Air Access Project, a partnership between various role players in the government, tourism and aviation sectors acting as a shining example of what team work can achieve.

Since its inception in 2015, this joint venture has added an additional 700 000 inbound seats into Cape Town, opened up 13 new routes, and negotiated 14 expansions. These figures all translate into an increase in the number of visitors to the Western Cape and most importantly, the creation of new jobs in the tourism industry.

Our endeavours to increase wine exports to China and Angola have borne fruit, with both markets more than doubling since the introduction of Khulisa.

In the oil and gas space, the Saldanha IDZ continues to be our focus, and on 1 April 2017, the Department became a 100% shareholder in Saldanha Bay IDZ Licensing Company (Pty) Ltd (LiCo). The purpose of Saldanha Bay IDZ Licensing Company (Pty) Ltd (LiCo) is to establish and fulfil the purpose of a Special Economic Zone within the greater Saldanha Bay area. The Department has now also developed a supplier portal which is a single entry point for small, micro and medium enterprises to view the opportunities available to them and to profile themselves to the IDZ, corporates and parastatals and become more visible. So far, 1 800 SMMEs have registered on the portal.

The Department's support to SMMEs also included another successful Western Cape Funding Fair, attended by over 1 000 visitors, and 20 funders, our collaboration with the City of Cape Town and various private sectors partners including Pick n Pay, to develop township spaza shops into fully-fledged supermarkets. Two of these have opened and are successfully operating.

We also set to work developing our Digital Business Toolkit and online platform to help SMMEs harness technology to improve their businesses. We expect the full toolkit to be available in the latter half of 2018/19.

The drought did however present opportunities within the green economy, and the Department led the development of an Economic Water Security Workstream, which was aimed at supporting businesses through the crisis and developing long term resilience. Through the work of the team and its messaging, hundreds of businesses were able to reduce their water usage and contribute to their own resilience.

In a similar vein, the Energy Security Game Changer has been working on minimising reliance on the national grid for energy and increased uptake of solar PV in the province, which now totals 60MW, which will go a long way towards ensuring that businesses are able to better deal with potential energy shortages in the future.

Our number one priority in this Department and as the Western Cape Government remains growing the economy and creating more jobs. The DEDAT team, under the leadership of HOD Solly Fourie, have done a remarkable job in the year under review, to ensure that we are able to deliver on this promise. I would like to express my gratitude to them for their hard work and dedication.



ALAN WINDE
MINISTER OF ECONOMIC OPPORTUNITIES

4. REPORT OF THE ACCOUNTING OFFICER

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

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

Achievement for the year

Despite a sluggish global economic performance, the Western Cape added 77 000 jobs year-on-year between quarter two (2017) and quarter two (2018). This translated to an unemployment rate of 20.7% as at the end of quarter two (2018). More importantly the region experienced the highest Labour Force Absorption and Labour Force Participation rates of 54.5% and 68.7% respectively. (Stats SA: Q2 2018 Labour Force Survey).

Our Red Tape Reduction Unit continues to do sterling work and many businesses were assisted with the elimination of inhibiting red tape. In fact, the Unit was very successful in responding to the needs of business and some R279.7 million were saved by businesses through the unit's interventions. The Office of the Consumer Protector also contributed to this saving.

Work on both the Energy and Apprenticeship Game Changers were continued during the year and this dedicated approach to addressing two of the key enabling infrastructure levers will continue to make a significant contribution to the region being more competitive and responsive to the demands of investors.

The Department works closely with partners from various spheres of government and during the year an amount of R182 million was leveraged from our collaborative efforts.

We have successfully delivered on Project Khulisa, which is aimed at growing the Tourism, Agri-Processing and Oil & Gas services sector. These three sectors have received accentuated focus during the year and together with our continued funding of other key sectors, sector support across a wide range of the economy has flourished.

Our collaborative work and oversight role over Wesgro and the Saldanha Bay IDZ has seen growth in the number and size of investment landed. The successful establishment of the Saldanha IDZ Licencing Company is the foundation for significant growth within the West Coast Industrialisation. It is my view that the IDZ will serve as a major catalyst for economic growth in the region.

Increase in investment bodes well for future growth and subsequent job creation from the enhanced investor interest. In addition, the region has once again enjoyed a very successful visitor season, and this can be attributed to the increased destination marketing efforts and the dedicated approach of the Tourism sector within Project Khulisa.

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

Challenges for the year

The effects of the drought have had a constraining effect of economic growth and coupled with a general downturn in the global economic conditions, the local economy endured some challenges. The country's negative investment rating and the lack of robust growth provided a huge challenge for the department and together with our agencies, Wesgro and Saldanha IDZ, we collectively ensured that we promote the region positively.

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

Departmental receipts

Departmental receipts	2017/18			2016/17		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Non Tax Receipts	298	4 424	(4 126)	284	1 059	(775)
Sale of goods and services other than capital assets	298	438	(140)	284	320	(36)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	-	39	(39)	-	-	-
Sale of capital assets	-	22	(22)	-	22	(22)
Financial transactions in assets and liabilities	-	3 925	(3 925)	-	717	(717)
Total	298	4 424	(4 126)	284	1 059	(775)

During the financial year, the Department over-collected on its financial transactions in assets and liabilities by an amount of R4.126 million.

In terms of the tourist guide registration fees, 1 595 tourist guides were registered during the financial year resulting in an over-collection of revenue of R140 000. Other notable over-collections in revenue is attributed to the sale of obsolete equipment to staff amounting to R22 000 and interest earned from the application of debt management systems. The Primary contributor to the over-collection of revenue is attributed to Financial Transactions in assets and liabilities which accounted for R3.925 million. This funds was received from repayments of past financial year's transfer payments from Casidra (R1.913 million) and Cape IT Initiative amounting to R723 000.

Programme expenditure

In terms of final expenditure over the past two financial years, the Department has managed to expend 98.51% or R399.303 million of its adjusted appropriation in the 2017/18 financial year, compared to the 97.58% or R559.386 million spent in the 2016/17 financial year.

Programme Name	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	58 541	58 067	474	52 314	51 656	658
Integrated Economic Development Services	38 292	37 174	1 118	42 283	41 661	622
Trade and Sector Development	51 430	49 542	1 888	56 653	55 591	1 062
Business Regulation and Governance	11 069	10 600	469	10 911	10 479	432
Economic Planning	129 573	129 350	223	298 347	296 135	2 211
Tourism, Arts and Entertainment	54 030	53 397	633	49 956	49 342	612
Skills Development and Innovation	62 409	61 173	1 236	62 802	54 522	8 280
Total	405 344	399 303	6 041	573 266	559 386	13 880

Virements

By the end of the 2017/18 financial year, virements were undertaken to defray over expenditure across main divisions within the vote. These virements were applied as follows:

Programme 1: Administration: Funds amounting to R239 thousand was viremented into the Programme for the payment of capital equipment as part of the technology refresh project.

Programme 2: Integrated Economic Development Services: Funds were virement to the Programme to provide funding to the National Empowerment Fund as well as finalisation of the Red Tape Costing Tool.

Programme 7: Skills Development and Innovation: Funds were virement to the Programme to supplement the Data management project which included the development of a system to track learners on artisanal programmes, the Apprenticeship Game Changer Communications project as well as the Business Analyst and Systems Analyst (BASA) training.

Roll overs

No roll overs were received during the 2017/18 financial year.

Future plans of the Department

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

PSG1 necessitates that the Department leads the integrated approach to resolving key economic challenges. There is a need for greater collaboration and the department will ensure that it plays a leadership role in ensuring that the Western Cape Government support the enabling of an environment which is conducive for economic growth and development.

During the next year and the ensuing strategic period, the Department will seek to address the challenges of Youth Unemployment; the needs of Informal Economies; Digital Economy and the 4th Industrial Revolution; Spatial Economic Growth; Economic Advocacy and Behavioural Economics. This is all in pursuit of creating an environment which support opportunities for growth and jobs.

The Department will also continue to provide interventions which seek to reduce Red Tape and support the Ease of Doing Business across the whole of the economy.

Investment into Catalytic Economic Infrastructure will also focus strongly on the establishment of the Atlantis Special Economic Zone and together with roll out of the next phase of a Water resilient economy able to respond to the challenges of sustainability and climate change.

Public Private Partnerships

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

Discontinued activities/activities to be discontinued

No activities were discontinued during the 2016/17 financial year, however as of 1 April 2016, the Western Cape Liquor Authority will report via the Department of Community Safety.

New or proposed activities

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

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

SCM processes and systems to prevent irregular expenditure

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

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

In the 2017/18 financial year the Department procured goods and services according to the procurement plan with only a 6.66% deviation.

The Department continuously maintains and manages moveable assets on the LOGIS system. The year-end physical verification of all moveable assets was started on 12 February 2018 and completed on 28 February 2018. All the moveable assets acquired in the year under review have been accounted for and accurately captured on the Asset Register as per the Asset Management Framework and the Public Finance Management Act.

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

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

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

Gifts and Donations received in kind from non-related parties

Name	Designation	Nature	Estimated Value	Relationship with receiver
Joshua Wolmarans	Director	Gift box containing an aroma diffuser and beard products.	R2 800	Guest speaker
Rashied Toefy	Deputy Director General	Two tickets for the Jazz Festival.	R2 000	Investor

Exemptions and deviations received from the National Treasury

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

Events after the reporting date

Acknowledgements

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

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



MR SOLLY FOURIE
ACCOUNTING OFFICER
DATE: 23 AUGUST 2018

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

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2018.

Yours faithfully,



MR SOLLY FOURIE
ACCOUNTING OFFICER
DATE: 23 AUGUST 2018

6. STRATEGIC OVERVIEW

6.1 Vision

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

6.2 Mission

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

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

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

6.3 Values

The core values of the Department espouse are:



CARING

To care for those we serve and work with



COMPETENCE

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



ACCOUNTABILITY

We take responsibility



INTEGRITY

To be honest and do the right thing



INNOVATION

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



RESPONSIVENESS

To serve the needs of our citizens and employees

7. LEGISLATIVE MANDATE

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

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

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

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

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

Businesses Act, 1991 (Act 71 of 1991)

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

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

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

The BBBEE Amendment Act, No 46 of 2013

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

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

The amendments to the BBBEE Codes of Good Practice will come into effect on 1 April 2015.

Consumer Protection Act, 2008 (Act 68 of 2008)

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

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

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

Municipal Systems Act, 2000 (Act 32 of 2000)

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

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

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

Tourism Act 3 of 2014 (as amended)

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

The Cooperatives Amendment Act, No 6 of 2013

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

The Membership of the Western Cape Economic Development Partnership Act

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

The Cape Town International Convention Centre Company Act 8 of 2000

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

The Special Economic Zones Act 16 of 2014

The purpose of the Act is to provide for the designation, promotion, development, operation and management of Special Economic Zones, which includes the establishment of a business enterprise (either provincial or municipal) to manage each SEZ. Furthermore, the Act provides for the establishment and functioning of the national Special Economic Zones Advisory Board and the establishment of the Special Economic Zones Fund. Finally, the Act seeks to regulate the process of applying for and issuing of Special Economic Zones operator permits and to provide for functions of the Special Economic Zones operator.

Saldanha Bay Industrial Development Zone Licencing Company Act 1 of 2016

The purpose of the act is to regulate the operation of the Saldanha Bay IDZ Licencing Company SOC Ltd; to provide for the shareholding of the Western Cape government in the Saldanha Bay IDZ Licencing Company SOC Ltd; to provide for the objects, functions and governance of the Saldanha Bay IDZ Licencing Company SOC Ltd.

Policy mandates

National Development Plan (NDP)

The key concepts of the NDP are:

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

The National Evaluation Policy Framework (NEPF, 2011)

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

OneCape2040

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

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

Provincial Strategic Plan (PSP)

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

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

Western Cape Green Economy Strategy Framework

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

Broadband Strategic Framework (2012)

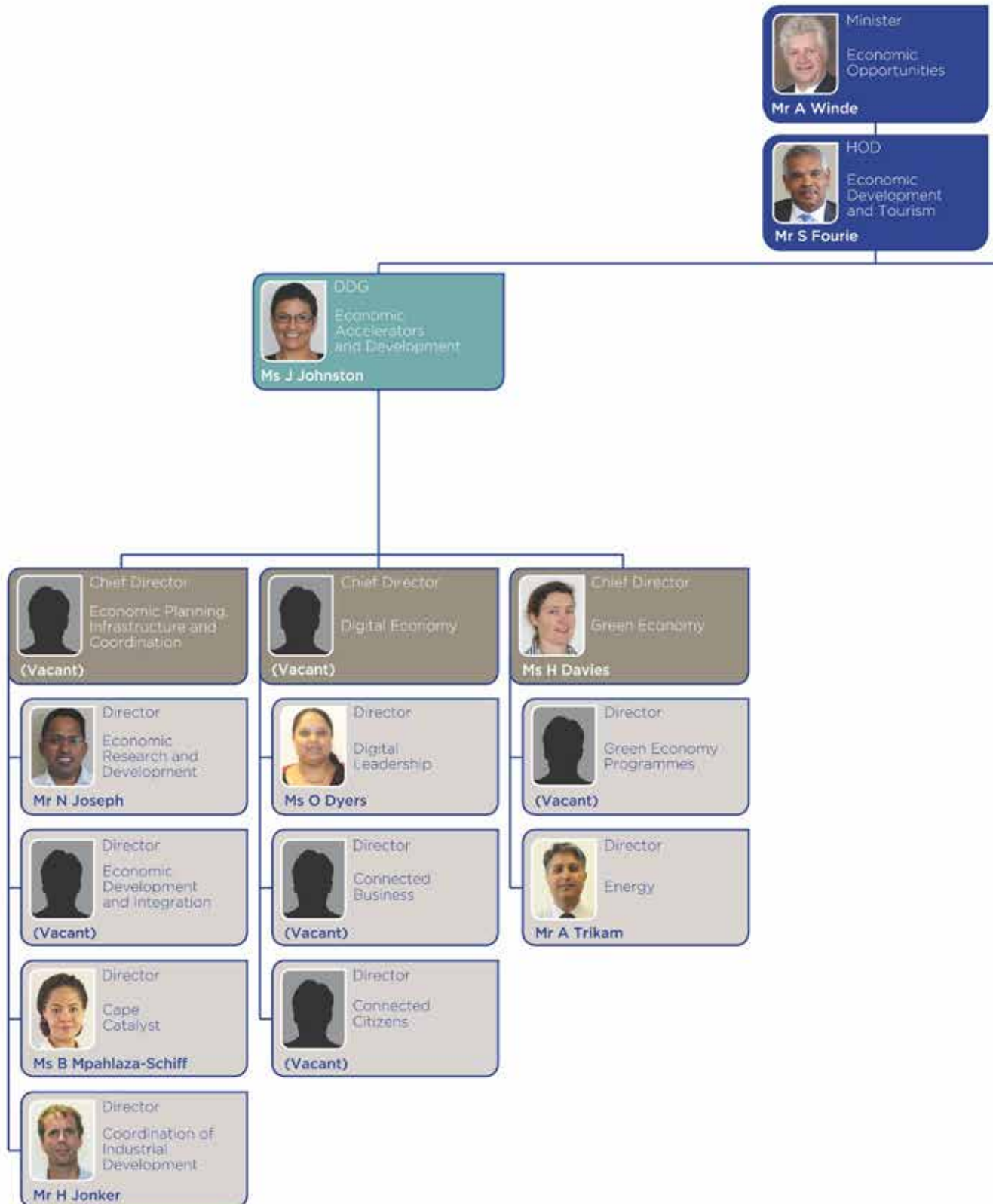
The framework sets out a holistic approach to address access (infrastructure), readiness and usage of government, citizens and businesses in order to improve government service delivery, strengthen citizens access to opportunities and information and increasing economic competitiveness.

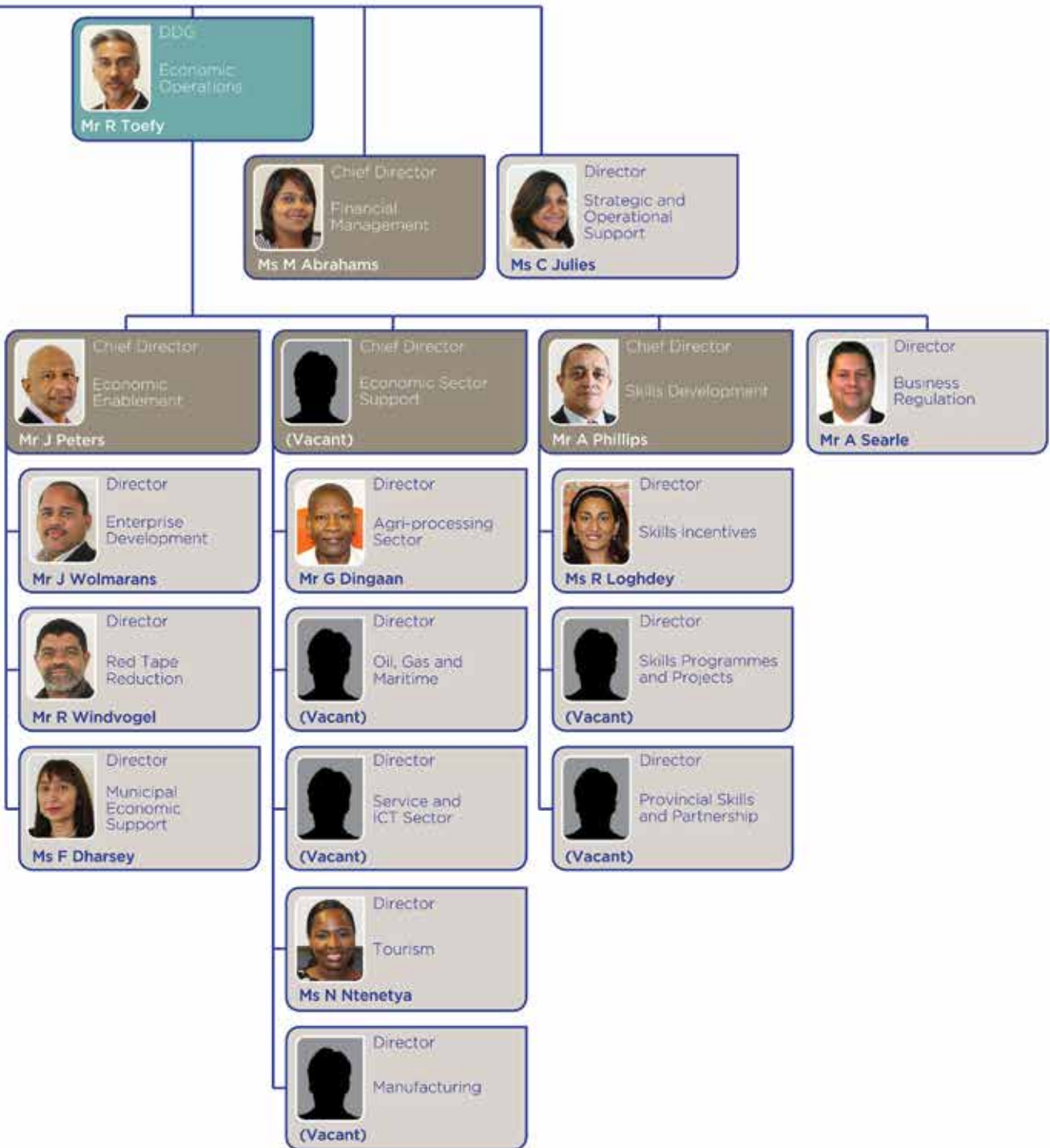
SA Connect

The South African National Broadband Policy (adopted in Dec 2013) provides a framework for a robust telecommunications environment in the country. Aligned to the NDP, it asserts the economic beneficiation for broadband infrastructure can only be effected when the following conditions are met:

- Broadband must reach a critical mass of South Africans;
- Access to broadband must be affordable;
- Demand-side skills must be developed so broadband services can be used effectively; and
- Supply-side skills must be developed so that the economic and innovative potential of broadband can be exploited.

8. ORGANISATIONAL STRUCTURE





9. ENTITIES REPORTING TO THE MINISTER

Name of entity	Legislative mandate	Financial Relationship	Nature of Operations
Western Cape Investment and Trade Promotion Agency (Wesgro).	Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996).	Transfer Payment recipient.	Wesgro is the official Tourism, Trade and Investment Promotion Agency for the Western Cape.
Saldanha Bay Industrial Development Zone Licensing Company (SBIDZ LiCo).	Saldanha Bay Industrial Development Zone Act Licensing Company Act, 2016 (Act 1 of 2016).	Transfer Payment recipient.	The SBIDZ LiCo is wholly owned by the WCG and is responsible for the promotion, management and marketing of the industrial development zone in the Saldanha Bay area as well as ancillary activities that are required for the establishment of the IDZ.



Part B: PERFORMANCE INFORMATION

PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 178 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service delivery environment

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

In this regard, the Department has followed its consistent course of action, namely Project Khulisa, which enabled greater depth of intervention in specifically targeted sectors. This consistent and predictable strategic approach has led to numerous positives for the Province, most notably that the Western Cape has recorded the lowest unemployment rate in South Africa at 11.6 points lower than the national figure, a higher growth rate than the rest of South Africa and a business confidence rate which is 1 point higher than the national average.

Ease of doing business

The **Ease of Doing Business** strategy followed by the Department continues to realise significant benefits for the provincial economy. An estimated R493 million was saved through red tape reduction/ease of doing business interventions, working with all three spheres of government to reduce the systemic inhibitors to efficiency.

Over the past financial year, initiatives to improve business-facing services delivered by local government included the Municipal-Service-To-Business (MS2B) programme that aimed to reduce unnecessary cost to doing business in local areas. This was done by supporting the improvement of business-facing services at municipal level. Over the last three (3) years, business process assessments were conducted in ten municipalities and at least 19 municipalities have been assisted in optimising their business processes that underpin services - like, building plan approvals and event and film permitting. In the pilot collaboration done in partnership with the Drakenstein Municipality, it has been possible to reduce the approval time for building plans from an average of 32 days to 15 days.

The Red Tape Reduction Unit's interventions included relaxation of conditions attached to abnormal load permits for movement of mobile cranes (Department of Transport and Public Works and City of Cape Town); having some of the improvement proposals related to processing of applications for tourism transport operator permits implemented (National Public Transport Regulator at the national Department of Transport) and creating a protocol of the importation of eggs (Department of Agriculture, Forestry and Fisheries).

The unit also continued to provide assistance to businesses via the Red Tape Business Helpline. More than 1 400 cases were reported and attended to, and approximately 89% of these had been finalised by year-end.

The second iteration of the Red Tape Costing Tool, now called the Red Tape Reduction Impact Assessment Tool was developed. It is being used to accurately track and calculate the collective benefit of the above-mentioned ease of doing business initiatives undertaken by the unit, as well as by other units in the Department, other WCG Departments and the City of Cape Town. In particular, it enables the Department to track the WCG's progress towards the PSP target of savings of R1 billion in red tape and the increasing of turnover through reduction of the administrative burden on businesses.

Initiatives to improve business-facing services delivered by national and provincial government Departments undertaken in the current financial year include review of several processes, including alignment of passport and temporary visa expiry dates (Department of Home Affairs); relaxation of conditions attached to abnormal load permits for movement of mobile cranes (Department of Transport and Public Works); improving the process related to issuing tourist signage (DT&PW); digitisation of issuing of veterinary export certificates (Department of Agriculture); digitisation and other improvements related to the process of applying for and

renewing tourist operator permits (National Public Transport Regulator at the Department of Transport), and improving the process for issuing of certificates of free sale (various Departments, including the Department of Trade and Industry, Department of Agriculture, Forestry and Fisheries, Department of Health – all national).

In this regard, the Municipal-Service-To-Business (MS2B) programme aims to reduce unnecessary cost to doing business in local areas and the outcome sought is to have improved business-facing services at municipal level. The Department in partnership with the Drakenstein Municipality undertook intervention to improve the building control and approval function of the Municipality that allows the municipality to improve its rate of application assessments and move to a paperless environment resulting in business saving costs due to a reduction in time and procedures. During the 2016/17 financial year, 1 272 applications (106 per month) approved. However, post intervention, improvement on the number of plans being dealt with on a monthly basis reflected that, from 1 July 2017 to 14 November 2017, 640 applications (142 per month) were approved. In 2017/18 it is estimated that approximately 1 710 applications will be approved during the financial year – an increase of approximately 435 from the previous financial year.

Furthermore, Stats SA's latest (14 December 2017) release on building plans and building completion indicates that the Western Cape is one of only two Provinces that showed an increase in both the number and value of building plans approved (the other being the Eastern Cape, from a much lower base) and that the Western Cape was also one of only three Provinces to record an increase in the value of building work completed (27.7%), with the EC running a distant second (6.7%).

The provision of assistance to businesses via the Red Tape Business Helpline continues, with an average of in excess of 300 cases (enquiries and requests for assistance) being attended to quarterly, with an overall resolution rate of about 93%.

The second iteration of the Red Tape Costing Tool, now called the Red Tape Reduction Impact Assessment Tool, is being developed to enable the Department to accurately track and calculate the collective benefit of the above-mentioned ease of doing business initiatives, as well as those undertaken by other units in the Departments, other WCG Departments and the City of Cape Town.

The Department's initiatives to support SMME development has also recorded numerous gains during the 2017/18 financial year. The Department undertook an initiative together with the Provincial Treasury to enhance the ability of suppliers to procure and transact with government. Workshops have successfully been conducted across the Province, which reached more than 1 000 suppliers across all municipal areas of the Western Cape.

Further to this, the Department contributed to supporting new and existing enterprises in Saldanha Bay and on the West Coast to allow for the uptake of opportunities offered by local corporates, parastatals and the Saldanha Bay Industrial Development Zone (SBIDZ) through the development of a procurement portal. The portal will ensure a single-entry point for SMMEs to determine opportunities available and to profile themselves to corporates, parastatals and SBIDZ and therefore becoming more visible and attractive to them. To date, 1 800 businesses are registered on the portal.

In collaboration with Pick n Pay, the Department, City of Cape Town, National Empowerment Fund, Masisizane, Old Mutual, and Brimstone, embarked on a Township Economy Revitalisation Initiative which involved the conversion of existing spaza shops within townships into independently owned mini-supermarkets. The initiative involves improving the infrastructure (building, machinery and equipment) in the township retail sector which will directly lead to an increase in employment opportunities and turnover.

The unit successfully hosted the Western Cape Funding Fair, a partnership between Deloitte and the Department, which aimed to facilitate face-to-face contact between project promoters, entrepreneurs and various funding institutions within the region. The Funding Fair provided a platform to educate and empower project promoters and entrepreneurs on the holistic approach and processes to follow in turning ideas into bankable business plans that have a higher probability of attracting the right type of funding and investment. The Funding Fair attracted over 1 000 delegates and was supported by 20 funders who formed part of the 27 exhibitors on the day.

The Investment Readiness Programme served to assist and develop the capacity and capability of entrepreneurs and business owners in acquiring businesses finance. The programme provided a capacitation session where information relating to the investment process, investment requirements and technical information is transferred to businesses. In addition to the learning experience, the investment readiness sessions provided a platform for networking sessions with funders. Through the initiative the unit enabled businesses to secure about R12 million from funders.

The unit continued to engage with Casidra and the National Empowerment Fund (NEF) to provide financial assistance to SMMEs. The SMME Loan Fund managed by Casidra offered contract finance ranging between R10 000 and R100 000 to SMMEs operating in the Western Cape. The Department, contributed to the NEF loan fund which assisted Western Cape based businesses with funding.

The Agri-processing Supplier Development Programme aims to develop and grow agri-processing businesses to exploit opportunities within existing and new supply chains. The businesses are developed through a structured process (business turnaround or business improvement) to ensure that the business is able to move up the value chains of the agri-processing sector. The programme focuses on improving the entrepreneur's skills and the competitive position of the business (scale and efficiency).

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

Investment promotion

Through the Department's trade and investment agency, Wesgro, in excess of R7.2 billion worth of investment has been attracted to the Western Cape since 2014. Further to this, 64 trade deals have also been secured valued at approximately R11.1 billion since 2014. Of this, R691 million has been facilitated through the African Expansion Programme. Further to the above, Wesgro together with InvestSA launched the Cape Investment Centre in the Cape Town Central Business District during 2017. This Investment centre will serve as a one stop shop which business can access to obtain a variety of government-facing products to ensure future success and growth.

Project Khulisa interventions

Project Khulisa is the key sector strategy followed within the Department. This strategy notes the prioritisation of three key sectors for the Western Cape which would change the trajectory for economic growth and job creation within the Province. These sectors are Agri-processing, Tourism and the Oil and Gas Supply sectors.

In terms of **Agri-processing**, the Department primarily focussed on three key projects namely Halal export promotion, the Halal Industrial Park, the Halal Certification Project and Wine and Brandy export promotion.

In terms of Halal Export Promotion, successful missions were undertaken by Western Cape companies to promote Halal products in targeted countries which included Senegal, Singapore, Malaysia, Thailand, Nigeria and China. In Senegal, four declarations were signed with an estimated value of R110 million over a five-year period. Inward Buying Mission was held in Cape Town on 25 - 27 October 2017 with seven buyers from Malaysia, United Arab Emirates (UAE), Singapore and the United Kingdom participating in meeting with local companies. Malaysian buyer follow-up visit took place in November 2017.

The Halal Industrial Park feasibility study was completed in May 2017 with a recommendation on Halal Investor Prospectuses for each of the selected sites. Engagements with site owners, including Airports Company - South Africa (ACSA) regarding the airport land commitment, Drakenstein Municipality Mayor and team on unlocking Klappmuts land parcel and the Stellenbosch Municipal Mayor and team on unlocking Lynedoch land parcel. Discussions are also underway with potential investors from the UAE regarding the development of the Halal Industrial Park.

With regard to the Halal Certification Project, significant gains have been made in the development of a single best practice certification standard for Halal. Through the benchmarking exercise, contacts have been established with the UAE Halal Authority as well as the Malaysian Halal Authority (JAKIM). The Standards of the two Halal Authorities are the most important in the world and their positive recognition of our Halal Standards and Practice will enable Western Cape Halal exports to enter any Halal market in the world.

A collaborative approach between Western Cape Government, Wines of South Africa and Wesgro to promote wine exports in Angola and China has led to significant growth of wine turnover in both markets. Wine exports to China are up by 80% since 2014. A strategic partnership with Shoprite in Angola is working with trade, media and consumers was introduced to 40 different wines at Shoprite stores in Angola. Seventeen Western Cape Wine companies participated in the Prowein wine show held in Germany. Four Chinese media representatives visited Western Cape from 22 - 30 September 2017 and there was an overwhelmingly positive response from visitors, with good input into future messaging for Chinese consumers.

The **Oil and gas supply sectors** forms one of the areas which can provide huge gains for the Province. In this regard, the industrialisation of the West Coast Region with the Saldanha Bay Industrial Development Zone is well on track with 34 potential investors already signing Memorandums of Understanding.

These gains could not have been achieved had the municipal and bulk services not been completed on the back of the port land and the link bridge to the IDZ land not been finalised. Further gains also include the upgrading of the Waste Water Treatment plant and the Water Supply Project at Besaansklip, adding an additional capacity of 15 megalitres to the region.

Over the past year, **Tourism's** Gross Value Add grew by more than R2 billion or 11%. This represents a growth of more than five times that of the national average.

The growth in sharing platforms such as AirBnB has had a positive impact on the Tourism sector and the Department is in the process of conceptualising how to measure employment growth as a consequence of these new economy platforms. Notwithstanding the exclusion of jobs that has been created as a consequence of these new sharing platforms, more than 26 000 jobs were created in the tourism sector since the inception of Project Khulisa.

While semigration from other Provinces into the Western Cape does explain some house property price increase, the Tourism sector indeed has played a significant role in explaining why CBD prices (15%) have escalated more than three times the national average of 4.1%. Growth experienced in seemingly unrelated sectors such as construction, retail and transport industries because of Tourism growth.

We recognised the importance of direct flights to the region, expressed by a team dedicated to growing air access to Cape Town. Since the inception of this team, inbound international seats into the city have grown by expanding routes or by addition of new routes into Cape Town, by about 800 000 seats. We have introduced three new international routes and expanded a further seven existing routes to Cape Town, this year alone.

In terms of progress on the Saldanha IDZ, the entity reported that the infrastructure build has again made major strides. During previous financial years, the construction of the internal bulk services, the waste water treatment works and the supply hub in the Port were completed. Subsequently, the link bridge to Port and the water reservoir have been completed and construction has commenced on the port land. This was after the successful conclusion of the lease agreement with the Transnet National Ports Authority for the first portion of land in the Port of Saldanha.

Saldanha IDZ has stated that negotiations with more than 40 potential investors are underway, while the first three investors were successfully signed up. The announcement of the Operator of the Offshore Service and Supply Base (OSSB) is also scheduled for early in the 2018/19 financial year.

Innovation

Innovation is the key to ensuring significant growth in the economy. Not only will innovation assist government in working smarter with limited resources, but history has shown innovations have propelled nations forward in terms of economic growth and prosperity.

In leading the fight for greater innovation, the Department has seen the first inter-governmental innovation forum established with ten provincial government Departments accepting the challenge to work smarter. Further to this, 15 Western Cape Government case studies have been developed and distributed for peer learnings.

In developing serious partnerships to further innovation, the Craft and Design Institute has been driving a Design and Innovation Seed fund. This fund, with a R3.5 million contribution from the Department and a R28 million contribution from the Jobs Fund and Technology Innovation Agency (TIA), is aimed at nurturing young innovators towards commercialisation.

Broadband (Digital Economy)

At the onset of the financial year, the WCG decided to shift the implementation of the Public Access Wi-Fi project to the Centre for e-Innovation at DotP, which caused some early conclusion to the linked Citizen Internet Champions project. DEDAT continued to maintain the existing 178 hotspots during the 2017/18 financial year, which will be absorbed into an expanded public wi-fi programme, driven by DotP from 2018. Neotel, now known as Liquid Telecom reported that the total accumulated number of citizen users over the two years of the DEDAT project amounted to **1 627 932**, with a monthly average of **103 085** users.

In addition, the parallel mobile digital literacy programme aligned to the hotspots, called Citizen Internet Champions, reached a total of **410 351** citizens over the course of its implementation.

The I-CAN in Elsies River, which the Department supports, reported that 2017/18 saw **881** course completions over the year which is part of the digital skills programme offered. This includes a number of free courses provided by the I-CAN Elsies River NGO, DEDAT-funded courses and self-paid courses by citizens. The centre is also showing significant strides towards greater sustainability and impact.

Using the sector impact of digital disruption research undertaken in 2016/17, the Department moved to develop its strategic framework for the Digital Economy in order to be responsive to a dynamic and fast-paced changing digital-enabled world. The Digital Opportunities Implementation Framework will shape the activities of the Department over the short to medium term. One of the newer focus areas for the Western Cape is the educational technology sector. The Department has provided seed capital to the establishment of the first Ed-Tech business incubator in Africa, known as Injini and is working closely with the WCED to support them to use technology as an enabler towards achieving their educational outcomes.

The Digital Business Toolkit is an online platform which will enable SMMEs to access services, tools and skills which will aid in their growth and competitiveness. Some of the progress includes the development of a business self-assessment component and the software architecture, with the intention of the digital platform being available for business in the latter half of 2018/19.

The first I-CAN Play centre opened its doors in Khayelitsha in January 2018. This project, aligned to the Alcohol Harms Reduction Game Changer, aims to develop an entrepreneur-driven digital gaming facility in poor communities, whilst simultaneously providing alternative recreational activities.

Green Economy

The water crisis that developed in 2017 created significant impacts on and concerns for businesses across all economic sectors in the Western Cape. To address the needs of businesses, DEDAT led the development of an Economic Water Security Workstream, with resources seconded from most programmes in the Department and with partners from the Department of Environmental Affairs & Development Planning, the Department of Agriculture, GreenCape, the City of Cape Town, Wesgro, the Economic Development Partnership and the National Business Initiative, which aimed to address immediate water crisis needs and strengthen long-term water resilience for the province's economy. Businesses across multiple sectors were engaged and supported through one-on-one meetings, sector specific workshops (e.g. tourism, food and beverages, construction, clothing and textiles, oil and gas, retail, independent schools), issue specific workshops (e.g. basement water), association meetings, conferences (e.g. Manufacturing Indaba Western Cape, Smart Procurement, SA Industrial Energy Efficiency Conference), business and municipal water dialogues (Cape Town, Beaufort West, Kannaland, Knysna, Saldanha Bay, Cederberg, Drakenstein, Matzikama), industrial area workshops, task teams, business specific drought websites, newsletters, FAQs and the provision of communications materials. Through these channels, it is likely that the workstream partners collectively supported thousands of businesses in reducing their water use and providing their own water supplies and in developing new technologies and services that would help address the water challenge. While the focus is still on avoiding and minimising the impacts of the immediate crisis, focus is increasingly being given to further strengthening the water sector and addressing systemic issues towards building the water resilience of the Western Cape economy. Keeping with the water crisis theme, the Green Economy team also undertook the revitalisation of the 110% Green website with a focus on water-related information, specifically aimed at business resilience.

The Green Economy unit engaged in various waste economy platforms (including the National Chemical and Waste Economy Phakisa) with the aim of building stakeholder relations towards improved waste economy development in the Western Cape. The Green Economy Working Group was used as a key enabler of stakeholder engagements across the various provincial Departments. Areas of strategic engagements included the water crises and green economy related projects implemented by each Department.

With DEDAT support, GreenCape reported that they have developed market intelligence reports in the energy, waste, and water and agricultural sectors as well as a green finance database, coupled with effective investor support across the green economy that have contributed towards help attracting investment in green technology and services in the Western Cape, with over R1.2 billion being invested in 2017/18. Extensive work has been undertaken to advance the progress of establishing an Atlantis Special Economic Zone (SEZ), which would serve as a green tech hub.

Energy

The Energy Security Game Changer aims to increase the uptake of solar PV in the province continued in the 2017/18 financial year resulting in a total of 60MWp of solar PV installed to date. The investment in solar PV has been affected by funding being reprioritised towards water-related infrastructure in response to the water crisis. Small Scale Embedded Generation (SSEG) has been further promoted, with 13 municipalities now having NERSA approved tariffs and 21 municipalities having a framework in place to allow SSEG. Furthermore, the Energy Security Game Changer has actively driven the promotion of Liquefied Natural Gas, which was bolstered through securing USTDA support (US\$800 000) to undertake a further feasibility study into the importation of LNG. The feasibility study kicked off in March 2018, with complementary studies on energy in the Transport sector and energy for bulk water supply also underway. Collectively, these studies are intended to provide a more accurate and diverse base for LNG offtake demand and a sound model of development towards bankability of the project.

Skills Development

The emerging sectors in South Africa offer job creation opportunities for many skilled technical and vocational learners in the engineering, manufacturing and construction fields. Unfortunately, a shortage of these skills in the region results in lost opportunities and subsequent reduced economic growth. Industry role players agree, that large numbers of artisans and related technical skilled people are desperately needed to be trained to international standards, to alleviate the technical skills shortage for the emerging and existing sectors in South Africa and the Western Cape.

The Apprenticeship Game Changer has been the response of the Western Cape aimed at addressing the supply of and critical demand for skills needed in the Western Cape economy. The Apprenticeship Game Changer has been a focussed approach aimed at: selected economic sectors, particularly those with the potential for a higher uptake in employment and economic growth prospects; and within specific occupations and trades in these sectors.

The programmes initiated by the Department and other role players, aim to improve the Employability of particularly first-time work seekers through programmes that provide for extended training opportunities, experiential learning and work placement at companies.

2.2 Strategy to overcome areas of underperformance

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

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

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

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

2.3 Service delivery improvement plan

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

Main Service and Standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement	
To Provide for Registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014	<ul style="list-style-type: none"> • Tourist Guides • Association of Tourist Guides • Tourism Industry 	<p>33.33% of registered Tourist Guides issued with renewal notices 30 working days before the expiry of the Tourist Guide License.</p> <p>Target not achieved due to changes in Tourism Act, No. 3 of 2014. There was a change in registration/renewal from a 2-year period to a 3-year period. Therefore, as from July 2016 to date, renewals were affected as there was an extension.</p>	70% of registered Tourist Guides issued with renewal notices 30 working days before the expiry of the Tourist Guide License.	<p>70% of registered Tourist Guides issued with renewal notices 30 working days before the expiry of the Tourist Guide License.</p> <p>Although all fully registered Tourist Guides were notified within the 30 working days before expiry, some are not able to renew their license because their first aid and/or working visas have not been extended.</p>	
		75% of new/renewal Tourist Guide registration applications were processed within 14 working days.	80% of new/renewal Tourist Guide registration applications are processed within 14 working days.	80% of new/renewal Tourist Guide registration applications are processed within 14 working days.	
		308 Tourist Guides developed due to additional information sessions held through partnering with Skylar and Cape Tourist Guide Association (CTGA).	52 registered Tourist Guides developed.	59 (113%) Tourist Guides developed.	An intervention was held with Cape Town Metrorail for International Tourist Guides Day. There is no limit to the amount of participants that may attend an intervention.
		<p>120 inspections were conducted.</p> <p>The over achievement was due to a joint inspection on 2 November 2016 with the Registrars of other provinces and National Department of Tourism (NDT) at Cape Point.</p>	130 inspections conducted to ensure compliance.	116 inspections were conducted.	Locating Tourist Guides are not within the control of the Unit. Tourist Guides are visited at their worksites at the time of inspection.

Main services and standards (continued)

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation	<ul style="list-style-type: none"> Consumers Small Businesses (with an annual turnover or asset value of less than R2 million) NGOs Government Departments Local Authorities 	<p>98.4% of Consumer complaints were resolved.</p> <p>The percentage reflects the total number of complaints that were attended to and finalised either by way of amicable resolutions or any other closure process.</p>	90% of Consumer complaints were resolved.	100% of all matters, including consumer complaints received were attended to and/or resolved.
		<p>This target was not achieved.</p> <p>The required Customer Survey, which would measure this outcome, could not be conducted due to budgetary constraints.</p>	70% of Consumers (based on sample survey) indicating change in financial behaviour due to OCP Consumer Financial Literacy Project.	<p>This target was not achieved.</p> <p>Due to budgetary constraints, the external survey that measures this indicator could not be completed.</p>
		227 Consumer Education programmes conducted (this includes Financial Literacy workshops and SMME engagements).	100 Consumer Education programmes conducted.	218 Consumer Education programmes were conducted (this includes Financial Literacy workshops and SMME engagements).
		37 Financial literacy workshops conducted (this number is included in the total of 227 Consumer Education programmes conducted).	20 Financial literacy workshops conducted.	57 Financial Literacy sessions/events were held.
		17 SMME engagements conducted (this number is included in the total of 227 Consumer Education programmes conducted).	15 SMME engagements conducted.	19 SMME engagements held.
			<p>This number is included in the total of 218 Consumer Education programmes conducted.</p> <p>This number is included in the total of 218 Consumer Education programmes conducted.</p>	

Main services and standards (continued)

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provide Red Tape Reduction Business Helpline Services	<ul style="list-style-type: none"> Businesses operating in the Western Cape, particularly Small Businesses. Aspiring businesspersons who consider establishing a business in the Province. 	The resolution rate (as yet unverified for the year 2016/17) varied from quarter to quarter, averaging more than 90% and will only be known after the verification of the quarter four performance reports, as outstanding cases lodged in previous cases are still being resolved.	85% of Red Tape related cases to be resolved.	88.9% of Red Tape related cases were resolved (resolution rate still to be verified for the year 2017/18).
		The satisfaction rate varied across the surveys conducted, averaging approximately 80%. The final rate for the 2016/17 financial year will only be available in quarter 1 of 2017/18, as the last surveys i.r.o. 2016/17 cases will be conducted then.	A satisfaction rate of 70% to be recorded.	The satisfaction rate varied across the surveys conducted, averaging approximately 80%. The final rate for the 2017/18 financial year will only be available in quarter 2 of 2018/19.

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

Current/actual arrangements	Desired arrangements	Actual achievements
To Provide for Registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014		
Consultation:	Consultation:	Consultation:
1. Clients were consulted through:	1. Clients are consulted through:	1. Clients were consulted through:
a) Discussion forums.	a) Discussion forums.	a) Discussion forums.
b) Workshops: 2 x consultative workshops with NDT were held on 10 and 17 June 2016, with 158 attendants in total.	b) Workshops.	b) Workshops.
c) Suggestion Box: A Suggestion Box was not implemented, however a complaints/comment form has been added to the webpage. An awareness email about this form was sent to the Tourist Guides via bulk email.	c) Suggestion Box.	c) Suggestion Box.
d) Bulk email service was utilised.	d) Bulk email service.	d) Bulk email service was utilised.
e) Meetings: Meetings were held with CTGA to partner on information sessions and on the regulations.	e) Meetings.	e) Meetings.
	f) Investigate online complaints, feedback forms.	f) Online complaints, feedback forms investigated as an ongoing process.
2. Email correspondence was received from Tourist Guides on the regulations. Their input was collated and sent to NDT for consideration. NDT is still finalising the new regulations.	2. Input received from Clients is forwarded (written report) and discussed with the relevant authorities and is taken into account when decisions are made.	2. Input received from Clients was forwarded (written report) and discussed with the relevant authorities and was taken into account when decisions were made.
Access:	Access:	Access:
1. Clients could access the service:	1. The service is accessible:	1. Clients could access the service:
a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.	a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.	a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.
b) Via the official Departmental website: www.westerncape.gov.za/touristguide	b) Via the official Departmental website: www.westerncape.gov.za/touristguide	b) Via the official Departmental website: www.westerncape.gov.za/touristguide
Courtesy:	Courtesy:	Courtesy:
1. Courtesy was reported and measured through:	1. Courtesy is reported and measured through:	1. Courtesy was reported and measured through:
a) Complaints Desk.	a) Complaints Desk.	a) Complaints Desk.
b) Client Satisfaction Surveys: This is not a physical survey, it takes into account the information received through our suggestions/complaints/comments form on the webpage. Currently no one has officially used this form.	b) Client Satisfaction Surveys.	b) Client Satisfaction Surveys: No survey was done for 2017/18.
c) A Complaints Box was not set up, instead a complaints/comments/suggestion form was added to the Tourist Guide webpage.	c) Online suggestion/complaints/feedback form to be investigated.	c) Online suggestion/complaints/feedback form investigated and it is an ongoing process.

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

Current/actual arrangements	Desired arrangements	Actual achievements
To Provide for Registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014 (continued)		
2. The behaviour of Officials was measured/monitored, during formal and informal performance review sessions and one-on-one sessions, and against the:	2. The behaviour of Officials are measured/monitored against the:	2. The behaviour of Officials was measured/monitored against the:
a) Code of Conduct.	a) Code of Conduct.	a) Code of Conduct.
b) Business Rules of the Department and specifically the Directorate Tourism, as depicted in the Standard Operating Procedures for Tourist Guide Registration/License.	b) Business Rules of the Department.	b) Business Rules of the Department, including the relevant Standard Operating Procedures implemented within the Directorate.
Openness and transparency:	Openness and transparency:	Openness and transparency:
Openness and transparency was achieved through:	Openness and transparency is achieved through:	Openness and transparency was achieved through:
1. The publication/distribution of the Department's:	1. The publication/distribution (in 3 Official languages of the Province and obtainable via the WCG Walk-in Centre and the Departmental website) of the Department's:	1. The publication/distribution of the Department's:
a) The Annual Citizen's Report was produced.	a) Annual Citizen's Report.	a) Annual Citizen's Report.
b) Annual Report (published in English and made available electronically in the other 2 official languages of the Province).	b) Annual Report.	b) Annual Report: Published in English and available in the other two official languages of the Province on request.
c) Service Access Booklet - only published in English.	c) Service Access Booklet.	c) Service Access Booklet: Published in English and available in the other two official languages of the Province on request.
d) Service Charter - only published in English.	d) Service Charter.	d) Service Charter: Published in English and available in the other two official languages of the Province on request.
e) Service Standard Booklet - only published in English. The abovementioned documents were obtainable from the Departmental website and at the Walk-in Centre.	e) Service Standard Schedule.	e) Service Standard Schedule Published in English and available in the other two official languages of the Province on request. The abovementioned documents were obtainable from the Departmental website and at the Walk-in Centre.
2. Bulk email communication was conducted.	2. Local media for the publication of extracts from the Department's Annual Report and other strategic documentation.	2. Local media for the publication of extracts from the Department's Annual Report and other strategic documentation.
Value for Money:	Value for Money:	Value for Money:
1. The cost of registration was R240, renewable every 3 years.	1. The cost of registration is R240, renewable every 3 years.	1. The cost of registration was R240, renewable every 3 years.
2. Clients had access to useful and useable information at no cost. Bulk emails were distributed informing Tourist Guides of opportunities like free workshops held by Victoria & Alfred (V&A) Waterfront, Lilizela entries, etc.	2. Clients get useful and useable information at no cost.	2. Clients had access to useful and useable information at no cost.
3. Registration cost was determined by National Legislation.	3. Registration cost is determined by National Legislation.	3. Registration cost was determined by National Legislation.

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

Current/actual arrangements	Desired arrangements	Actual achievements
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation		
Consultation:	Consultation:	Consultation:
1. Clients were consulted through:	1. Clients are consulted through:	1. Clients were consulted through:
a) Discussion forums, workshops and Community Outreach events were held during the 2016/17 financial year. In total 227 engagements were held and this includes discussion forums, workshops and Community Outreach events.	a) Discussion forums.	a) Discussion forums.
b) Workshops: As per item a) above.	b) Workshops.	b) Workshops.
c) No Citizen Survey was done due to budgetary constraints.	c) Citizen surveys (minimum of 1 survey will be done).	c) Citizen surveys: No survey was conducted due to budget constraints.
d) Telephone.	d) Telephone.	d) Telephone engagements.
e) Community Outreach initiatives: As per item a) above.	e) Community Outreach initiatives.	e) Community Outreach initiatives: Provincial Thusong Centre Community engagements.
f) Approximately six media engagements were done.	f) Media engagements.	f) Media coverage – including print media and radio broadcasts.
g) 227 Consumer Education Programmes were conducted (this includes Financial Literacy workshops and SMME engagements).	g) Consumer Education Programmes (minimum of 100 programmes conducted).	g) 218 Consumer Education programmes were conducted. This includes Financial Literacy workshops and SMME engagements.
		<p>Additional achievement:</p> <p>Clients were further consulted through:</p> <ul style="list-style-type: none"> a) Information sessions b) Call Centre service c) E-mail correspondence d) Written correspondence
<p>2. In terms of the Financial Literacy Programmes, the Unit conducted pre and post evaluations with attendees. These evaluations placed the Unit in the position to determine if the sessions were helpful or if certain changes needed to be made to the content of the Programme.</p> <p>In terms of complaints management, every Consumer received a closure report which detailed the findings in a particular matter. The report also provided consumers with an opportunity to reject a finding and request a re-evaluation by the Director.</p>	<p>2. Input received from Clients is forwarded (written report) and discussed with the relevant authorities and is taken into account when decisions are made about what services are to be provided and at what level.</p>	<p>2. In terms of Financial Literacy, pre and post evaluation assessments were conducted at all of the Financial Literacy engagements held by the Office of the Consumer Protector. The feedback from citizens was positive and indicated that citizens found value out of the engagement and wanted further engagements on a variety of matters.</p> <p>In terms of complaints management, every Consumer received a closure report which detailed the findings in a particular matter. The report also provided consumers with an opportunity to reject a finding and request a re-evaluation by the Director.</p>

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

Current/actual arrangements	Desired arrangements	Actual achievements
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation (continued)		
Access:	Access:	Access:
1. Clients could access the service:	1. The service is accessible:	1. Clients could access the service:
a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town, operating hours: 07:30 – 16:00.	a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town, operating hours: 07:30 – 16:00.	a) At the Head Office, Ground Floor, Waldorf Arcade, 80 St Georges Mall, Cape Town, operating hours: 07:30 – 16:00.
2. Via District Offices (Coordinators):	2. Via District Offices (Coordinators):	2. Via District Offices (Coordinators):
a) Paarl, Paarl Thusong Centre, Van der Stel Street, Chicago, Paarl East.	a) Paarl, Paarl Thusong Centre, Van der Stel Street, Chicago, Paarl East.	a) Service no longer accessible at the Paarl Thusong Centre, as the Centre closed in 2017/18.
b) Knysna, Shop number 8, Demar Centre, Main Street, Knysna.	b) Knysna, Shop number 8, Demar Centre, Main Street, Knysna.	b) Knysna, Shop number 8, Demar Centre, Main Street, Knysna.
c) Via Toll Free line: 0800 007 081.	c) Via Toll Free line: 0800 007 081.	c) Via Toll Free line: 0800 007 081.
d) Via the official Departmental website: www.westerncape.gov.za/	d) Via the official Departmental website: www.westerncape.gov.za/	d) Via the official Departmental website: www.westerncape.gov.za/
Additional achievement:		Additional achievement:
a) Via the helpdesk at the various Thusong Centre Outreach Programmes that were attended by the OCP. b) Via post: P.O. Box 979, Cape Town, 8000. c) Via email: HYPERLINK mailto:consumer@westerncape.gov.za consumer@westerncape.gov.za d) Via fax: 021 483 5872.		a) Via the helpdesk at the various Thusong Centre Outreach Programmes that were attended by the OCP. b) Via post: P.O. Box 979, Cape Town, 8000. c) Via email: consumer@westerncape.gov.za d) Via fax: 021 483 5872.
	The accessibility of the Service is also improved through: a) Wheelchair accessibility at all physical locations. b) Elevator floor numbers are available in Braille. c) Way-finding and Signage Boards are present, legible and in three Official languages of the Province.	The accessibility of the Service is also improved through: a) Wheelchair accessibility at all physical locations. b) Elevator floor numbers are available in Braille. c) Way-finding and Signage Boards are present, legible and in 3 Official languages of the Province. Additional achievement: a) Partnerships with both State organs and community organisations, faith based institutions, Higher Learning Institutions and Schools.

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

Current/actual arrangements	Desired arrangements	Actual achievements
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation (continued)		
Courtesy:	Courtesy:	Courtesy:
1. Courtesy was reported and measured through:	1. Courtesy is reported and measured through:	1. Courtesy was reported and measured through:
a) Complaints Desk located in the Office of the Director.	a) Complaints Desk.	a) Complaints Desk located in the Office of the Director.
b) Client Satisfaction Surveys: Due to budgetary constraints, no Client Satisfaction Survey was conducted.	b) Client Satisfaction Surveys.	b) Client Satisfaction Survey: Due to budgetary constraints, no Client Satisfaction Survey was conducted.
c) Written correspondence to Management.	c) Written correspondence to Management.	c) Written correspondence to Management.
2. The behaviour of Officials was measured/monitored, during formal and informal performance review sessions and against the:	2. The behaviour of Officials are measured/monitored against the:	2. The behaviour of Officials was measured/monitored against the:
a) Code of Conduct.	a) Code of Conduct.	a) Code of Conduct.
b) Business Rules of the Department, and specifically the Directorate Business Regulation, as depicted in the Standard Operating Procedure for the Office of the Consumer Protector.	b) Business Rules of the Department.	b) Business Rules of the Department, including the relevant Standard Operating Procedures implemented within the Directorate.
	3. Customer Care training is provided to Officials once per financial year.	3. Customer Care Training: Training was provided to 5 staff members of the Contact Centre that operates the Call Centre Line.
Openness and transparency:	Openness and transparency:	Openness and transparency:
Openness and transparency was achieved through:	Openness and transparency is achieved through:	Openness and transparency was achieved through:
1. Written correspondence as required.	1. Written correspondence.	1. Written correspondence as required.
2. One-on-one meetings held.	2. One-on-one meetings.	2. One-on-one meetings held.
3. Round Table consultations with Business and/or Consumer to ensure that the parties had an opportunity to engage with and experience the service levels associated with complaints resolution. This also made the parties feel part of the process so that any resolution reached was done in a fair and transparent manner.	3. Round Table consultations.	3. Round Table consultations with Business and/or Consumer to ensure that the parties had an opportunity to engage with and experience the service levels associated with complaints resolution. This also made the parties feel part of the process so that any resolution reached was done in a fair and transparent manner.
4. Site visits were often conducted during the complaints management process to ensure that parties felt that the process was fair and took into consideration specific factors which needed physical interaction. This contributed towards openness and transparency of the complaints management process.	4. Site visits.	4. Site visits were often conducted during the complaints management process to ensure that parties felt that the process was fair and took into consideration specific factors which needed physical interaction. This contributed towards openness and transparency of the complaints management process.
5. Toll free line: 0800 007 081.	5. Toll free line: 0800 007 081.	5. Toll free line: 0800 007 081.

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

Current/actual arrangements	Desired arrangements	Actual achievements
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation (continued)		
Openness and transparency:	Openness and transparency:	Openness and transparency:
Openness and transparency was achieved through:	Openness and transparency is achieved through:	Openness and transparency was achieved through:
6. The publication/distribution of the Department's:	6. The publication/distribution (in three Official languages of the Province and obtainable via the WCG Walk-in Centre and the Departmental website) of the Department's:	6. The publication/distribution of the Department's:
a) The Annual Citizen's Report was not produced.	a) Annual Citizen's Report.	a) Annual Citizen's Report: Published in English and available in the other two official languages of the Province on request.
b) Annual Report (published in English and made available electronically in the other two official languages of the Province).	b) Annual Report.	b) Annual Report: Published in English and available in the other two official languages of the Province on request.
c) Service Access Booklet - only published in English.	c) Service Access Booklet.	c) Service Access Booklet: Published in English and available in the other two official languages of the Province on request.
d) Service Charter - only published in English.	d) Service Charter.	d) Service Charter: Published in English and available in the other two official languages of the Province on request.
e) Service Standard Booklet - only published in English. The abovementioned documents were obtainable from the Departmental website and at the Walk-in Centre.	e) Service Standard Schedule. 7. Local media for the publication of extracts from the Department's Annual Report and other strategic documentation.	e) Service Standard Schedule: Published in English and available in the other two official languages of the Province on request. The abovementioned documents were obtainable from the Departmental website and at the Walk-in Centre. Additional achievement: Standard Operating Procedure developed. 7. Local media for the publication of extracts from the Department's Annual Report and other strategic documentation.
Value for Money:	Value for Money:	Value for Money:
1. During the 2016/17 financial year clients had access to useful and useable information at no cost.	1. Clients get useful and useable information at no cost.	1. The consumer education service (where useful and useable information could be obtained) was a free service offered to citizens across the Province.
2. During the 2016/17 financial year clients obtained free assistance with the resolution of disputes.	2. Clients obtain free assistance with the resolution of disputes.	2. The consumer complaints redress service was a free service offered to consumers.

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

Current/actual arrangements	Desired arrangements	Actual achievements
Provide Red Tape Reduction Business Helpline Services		
Consultation:	Consultation:	Consultation:
1. Clients were consulted through/by:	1. Clients are consulted through/by:	1. Clients were consulted through/by:
a) Discussion forums.	a) Discussion forums.	a) Discussion forums.
b) Workshops.	b) Workshops.	b) Workshops and appearances at Business expos.
c) Citizen Survey was done.	c) Citizen surveys (minimum of one survey will be done).	c) Quarterly surveys were undertaken.
d) Telephone.	d) Telephone.	d) Telephone via service offering.
e) Media engagements.	e) Media engagements.	e) Media engagement with Provincial Minister visits to clients and publishing in the Better Together Magazine.
2. No input was received.	2. Input received from Clients is taken into account when decisions are made about what services are to be provided and at what level.	2. No input was received.
Access:	Access:	Access:
1. Clients could access the service:	1. The service is accessible:	1. Clients could access the service:
a) At the Head Office, 10th Floor, Waldorf Building, 80 St. George's Mall, Cape Town, operating hours: 07:30 – 16:00.	a) At the Head Office, 10th Floor, Waldorf Building, 80 St. George's Mall, Cape Town, operating hours: 07:30 – 16:00.	a) At the Head Office, 10th Floor, Waldorf Building, 80 St. George's Mall, Cape Town, operating hours: 07:30 – 16:00.
b) Via Share Call: 0861 888 126.	b) Via Share Call: 0861 888 126.	b) Via Share Call: 0861 888 126.
c) Via e-mail: redtape@westerncape.gov.za	c) Via e-mail: redtape@westerncape.gov.za	c) Via e-mail: redtape@westerncape.gov.za
d) Via "Please Call Me": 31022.	d) Via "Please Call Me": 31022.	d) Via "Please Call Me": 31022.
e) Via the website: www.westerncape.gov.za/redtapereduction	e) Via the website: www.westerncape.gov.za/redtapereduction	e) Via the website: www.westerncape.gov.za/redtapereduction
		Additional achievement:
		a) Via SMS: 079 769 1207
Courtesy:	Courtesy:	Courtesy:
1. Courtesy was reported and measured through:	1. Courtesy is reported and measured through:	1. Courtesy was reported and measured through:
a) Complaints Desk.	a) Complaints Desk.	a) Complaints Desk.
b) Client Satisfaction Surveys are regularly conducted (at least quarterly). The satisfaction rate varies across multiple surveys, averaging approximately 80%. The final rate for the year will only be available in quarter 1 of 2017/18 as the last surveys i.r.o. 2016/17 cases will only be conducted then. The results are filed and discussed in Unit meetings to determine how improvements can be effected.	b) Client Satisfaction Surveys.	b) Client Satisfaction Surveys were regularly conducted (at least quarterly). The satisfaction rate varied across multiple surveys, averaging approximately 80%. The final rate for the year will only be available in quarter two of 2018/19.
	c) Written correspondence to Management.	c) Progress not recorded as this standard needs to be clearly defined in current context.

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

Current/actual arrangements	Desired arrangements	Actual achievements
Provide Red Tape Reduction Business Helpline Services (continued)		
Consultation:	Consultation:	Consultation:
2. The behaviour of Officials was measured/monitored, during formal and informal performance review sessions and against the:	2. The behaviour of Officials are measured/monitored against the:	2. The behaviour of Officials was measured/monitored, during formal and informal performance review sessions and against the:
a) Code of conduct.	a) Code of conduct.	a) Code of conduct.
b) Business Rules of the Department and specifically the Directorate Red Tape Reduction, as depicted in the Standard Operating Procedure for Managing Red Tape Related Issue Resolution.	b) Business Rules of the Department.	b) Business Rules of the Department and specifically the Directorate Red Tape Reduction, as depicted in the Standard Operating Procedure for Managing Red Tape Related Issue Resolution.
	c) Customer Care training is provided to Officials once per financial year.	c) No Customer Care training provided for 2017/18 reporting period.
Openness and transparency:	Openness and transparency:	Openness and transparency:
Openness and transparency was achieved through:	Openness and transparency is achieved through:	Openness and transparency was achieved through:
1. Written correspondence as required.	1. Written correspondence.	1. Written correspondence as required.
2. One-on-one meetings held.	2. One-on-one meetings.	2. One-on-one meetings held.
3. Round Table consultations to share feedback received from respondent Departments, government entities and regulatory authorities.	3. Round Table consultations.	3. Round Table consultations.
4. No site visits needed to be conducted for the purpose of openness and transparency.	4. Site visits.	4. Site visits.
5. Share Call: 0861 888 126.	5. Share Call: 0861 888 126.	5. Share Call: 0861 888 126.
6. The publication/distribution of the Department's:	6. The publication/distribution (in three Official languages of the Province and obtainable via the WCG Walk-in Centre and the Departmental website) of the Department's:	6. The publication/distribution of the Department's:
a) The Annual Citizen's Report was produced.	a) Annual Citizen's Report.	a) Annual Citizen's Report published.
b) Annual Report (published in English and made available electronically in the other 2 official languages of the Province).	b) Annual Report.	b) Annual Report: Published in English and available in the other two Official languages of the Province on request.
c) Service Access Booklet - only published in English.	c) Service Access Booklet.	c) Service Access Booklet: Published in English and available in the other two official languages of the Province on request.
d) Service Charter - only published in English.	d) Service Charter.	d) Service Charter: Published in English and available in the other two official languages of the Province on request.
e) Service Standard Booklet - only published in English. The abovementioned documents were obtainable from the Departmental website and at the Walk-in Centre.	e) Service Standard Schedule.	e) Service Standard Schedule: Published in English and available in the other two official languages of the Province on request The abovementioned documents were obtainable from the Departmental website and at the Walk-in Centre.

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

Current/actual arrangements	Desired arrangements	Actual achievements
Provide Red Tape Reduction Business Helpline Services (continued)		
Value for Money:	Value for Money:	Value for Money:
1. Clients had access to useful and useable information at no cost.	1. Clients get useful and useable information at no cost.	1. Clients had access to useful and useable information at no cost.
2. Clients obtained free assistance with the resolution of disputes.	2. Clients obtain free assistance with the resolution of disputes.	2. Clients obtained free assistance with the resolution of disputes.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
To Provide for Registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014		
Information is communicated through:	Information is communicated through:	Information was communicated through:
a) Departmental website.	a) Departmental website.	a) Departmental website.
b) Annual Report (printed in English and made available electronically in the other two official languages of the Province).	b) Annual Report (printed in the three Official languages of the Province).	b) Annual Report: Published in English and available in the other two official languages of the Province on request.
c) One-on-one meetings held.	c) One-on-one meetings.	c) One-on-One meetings held.
d) Information sessions conducted.	d) Information sessions.	d) Information sessions conducted.
e) Brochure: Have You Asked Your Tourist Guide for their Card and Badge?	e) Brochure: Have You Asked Your Tourist Guide for their Card and Badge?	e) Brochure: Have you asked your Tourist Guide for their Card and Badge?
f) Pamphlets.	f) Pamphlets.	f) Pamphlets.
g) Circulars.	g) Circulars.	g) Circulars.
h) Quarterly meetings held.	h) Quarterly meetings.	h) Quarterly meetings held.
i) Department's Service Charter.	i) Department's Service Charter is displayed at Reception.	i) Department's Service Charter is displayed at Reception.
	j) The toll-free telephone helplines.	j) The toll-free telephone helplines.
The information (pamphlets/posters/brochures/etc.) could be found at the Tourism Information Centres.	The information (pamphlets/posters/brochures/etc.) could be found at the Tourism Information Centres.	The information (pamphlets/posters/brochures/etc.) could be found at the Tourism Information Centres.

Service delivery information tool (continued)

Current/actual information tools	Desired information tools	Actual achievements
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation		
Information was communicated through:	Information is communicated through:	Information was communicated through:
a) Departmental website and WCG Intranet.	a) Departmental website.	a) Departmental website and WCG Intranet.
b) Annual Report (printed in English and made available electronically in the other two official languages of the Province).	b) Annual Report (printed in the three Official languages of the Province).	b) Annual Report: Published in English and available in the other two official languages of the Province on request.
c) One-on-one meetings held.	c) One-on-one meetings.	c) One-on-One meetings held.
d) Media reports.	d) Media reports.	d) Media reports.
e) Publications.	e) Publications.	e) Consumer Education Publications.
f) Information sessions conducted.	f) Information sessions.	f) Information sessions conducted.
g) Site visits.	g) Site visits.	g) Site visits.
h) Radio shows were held predominantly on community radio stations catering for the three official languages of the Province.	h) Radio shows (catering for three Official languages of the Province).	h) Radio shows were held predominantly on community radio stations catering for the three Official languages of the Province.
i) Quarterly meetings held.	i) Quarterly meetings.	i) Quarterly meetings held on a National level with other Provincial stakeholders and Regulatory Authorities.
j) Pamphlets.	j) Pamphlets.	j) Pamphlets.
k) Brochures.	k) Brochures.	k) Brochures.
l) Circulars.	l) Circulars.	l) Circulars.
m) Department's Service Charter.	m) Department's Service Charter.	m) Department's Service Charter.
The information (pamphlets/posters/brochures/etc.) indicated above can be found at certain schools, libraries, clinics, shops, etc. The information was disseminated during actual engagements held and was also provided to stakeholders during stakeholder engagements. As such, our information could be obtained from the stakeholders directly.	The information (pamphlets/posters/brochures/etc.) indicated above can be found at certain schools, libraries, clinics, shops, etc.	The information (pamphlets/posters/brochures/etc.) indicated above can be found at certain schools, libraries, clinics, shops, etc. The information was disseminated during actual engagements held and was also provided to stakeholders during stakeholder engagements. As such, our information could be obtained from the stakeholders directly. Furthermore, Provincial and National stakeholders (public and private) also made use of the information available.

Service delivery information tool (continued)

Current/actual information tools	Desired information tools	Actual achievements
Provide Red Tape Reduction Business Helpline Services		
Information was communicated through:	Information is communicated through:	Information was communicated through:
a) Departmental website.	a) Departmental website.	a) Departmental website (relaunched in January 2018).
b) Annual report (printed in English and made available electronically in the other two official languages of the Province).	b) Annual Report (printed in the three Official languages of the Province).	b) Annual Report: Published in English and available in the other two official languages of the Province on request.
c) One-on-one meetings held.	c) One-on-one meetings.	c) One-on-one meetings.
d) Media reports.	d) Media reports.	d) Media reports (Media releases on Red Tape Reduction visits).
e) Publications.	e) Publications.	e) Publications (Better Together Magazine March 2018).
f) Information sessions conducted.	f) Information sessions.	f) Information sessions conducted.
g) Site visits.	g) Site visits.	g) Site visits (visits with MEC Winde to two former clients).
h) Radio shows (in English).	h) Radio shows (all three Official languages of the Province).	h) No radio shows conducted for 2017/18 reporting period.
i) Pamphlets distributed during site visits, information sessions, etc.	i) Pamphlets.	i) Pamphlets.
j) Social media.	j) Social media.	j) Social media.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
To Provide for Registration of Tourist Guides in the Province as per the Tourism Act, No. 3 of 2014		
Complaints/Suggestions/ Compliments/Queries were:	Complaints/Suggestions/ Compliments/Queries are:	Complaints/Suggestions/ Compliments/Queries were:
a) Submitted to the relevant Business Unit via the dedicated Walk-in Centre.	a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre.	a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre.
b) Submitted directly to the relevant Business Unit - contact details are obtainable in the Service Access Booklet found on the Departmental website and at the Walk-in Centre.	b) Submitted directly to the relevant Business Unit - contact details are obtainable in the Service Access Booklet.	b) Submitted directly to the relevant Business Unit - contact details are obtainable in the Service Access Booklet.
c) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.	c) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.	c) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.
d) Complaints were responded to in writing by the Provincial Registrar. Type of complaints included complaints about qualifications, visas and fraudulent documents.		
e) Appeals against the Provincial Registrar's decision can be made directly to the National Registrar.	e) Appeals against the Provincial Registrars decision can be made directly to the National Registrar.	e) Appeals against the Provincial Registrars decision could be made directly to the National Registrar.
Additional achievement:		
a) Received telephonically.	a) Acknowledged within 48 hours of receipt.	a) Acknowledged within 48 hours of receipt.
To Act as a Consumer Protection Agency within the Western Cape Province by virtue of the Provision of Provincial and National Legislation		
Complaints/Suggestions/ Compliments/Queries were:	Complaints/Suggestions/ Compliments/Queries are:	Complaints/Suggestions/ Compliments/Queries were:
a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre.	a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre.	a) Submitted to the relevant Business Unit via the dedicated Call Centre/Walk-in Centre.
b) Submitted directly to the relevant Business Unit - contact details are obtainable in the Service Access Booklet found on the Departmental website and at the Walk-in Centre. In addition, the final reports sent to consumers also advised of the manner in which unhappiness with the findings indicated in a report could be communicated to the Director.	b) Submitted directly to the relevant Business Unit - contact details are obtainable in the Service Access Booklet.	b) Submitted directly to the relevant Business Unit - contact details are obtainable in the Service Access Booklet.
c) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.	c) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.	c) Responded to in writing (formal letter via post, email or fax) or verbally via telephone or face-to-face, depending on Customer request.
	d) Acknowledged within 48 hours of receipt.	d) Acknowledged within 48 hours of receipt.

Complaints mechanism (continued)

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Provide Red Tape Reduction Business Helpline Services		
Cases were:	Cases are:	Cases were:
a) Submitted to RTRU via the dedicated Contact Centre, the Ministry of Economic Opportunities and the Office of the Head of Department.	a) Submitted to RTRU via the dedicated Contact Centre.	a) Submitted to RTRU via the dedicated Contact Centre.
b) Responded to in writing (generally e-mail, occasionally formally) or verbally via telephone or face-to-face, depending on circumstances and/or Customer preference.	b) Responded to in writing (generally e-mail, occasionally formally) or verbally via telephone or face-to-face, depending on circumstances and Customer preference.	b) Responded to in writing (generally e-mail, occasionally formally) or verbally via telephone or face-to-face, depending on circumstances and Customer preference.
		Additional achievement:
		a) Submitted to RTRU via the Ministry of Economic Opportunities and the Office of the Head of Department.

2.4 Organisational environment

The Department's strategy has been developed within the context of the Provincial Strategic Plan (PSP) and in accordance with the objectives set in Provincial Strategic Goal 1 (PSG 1).

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

The Department of Economic Development and Tourism will enhance its strategic approach which is aimed at:

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

Given the broad and transversal nature of the aforementioned strategies and given the current fiscal framework and the setting of an upper limit for Compensation of Employees, the Department has taken a proactive approach to ensure that critical posts are filled in order for the Department to be better positioned to respond to the mandate of Provincial Strategic Goal 1 (PSG 1). In this regard, the Department has successfully filled strategic Senior Management posts across all programmes. It is trusted that these appointments will further shape and enhance the delivery within the Department's strategic mandate.

In order to ensure that the Department adheres to the budget requirements, a Committee dealing with the management of Compensation of Employees upper limits has been established to ensure that posts that are absolutely critical for service delivery, are filled. As the Departmental organisational structure is an intricate, interlinked system, several factors have to be considered when deciding which posts are deemed critical.

2.5 Key policy developments and legislative changes

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

3. STRATEGIC OUTCOME ORIENTED GOALS

The Strategic Outcome Orientated Goals of the Department are aligned to the objectives as articulated in Provincial Strategic Goal 1: Creation of opportunities for growth and jobs through facilitation and accelerating economic growth through increased jobs and increased GVA of R25 billion by 2020. The Department has, through Project Khulisa, identified a set of key, competitive sectors through which we believe we can unlock accelerated growth and job creation. These are: Tourism, Oil and Gas and Agri-processing. They were identified in an extensive exercise to prioritise those sectors that offered both high employment and strong growth potential. While we will continue to support building an enabling environment for the entire economy, these sectors will receive accentuated focus as we believe that they hold promise of maximizing direct and indirect employment and GVA growth. In creating an economic enabling environment, the Department embarked on a seven point action plan toward building resilient, inclusive and competitive Western Cape. These seven strategic interventions can be summarised as follows: Provide Economic Growth Leadership; Reduce the cost and improve the ease of doing business; Establish and promote an innovative and competitive business environment; Develop key skills programmes to match the demand for appropriate skills; Invest in key economic catalytic infrastructure; Within the tourism industry, promote the global profile of Cape Town and the Western Cape; and Promote trade and investment.

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

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

The intensification of the drought over the past year led to significant impacts on the economy, with the greatest impact being experienced in the agricultural sector. There was a loss of approximately 30 000 jobs during 2017, a part of which can be attributed to the drought. The agricultural sector's losses in productivity were due to a significant decrease in rainfall (for rain fed crops) as well as the most severe water restrictions that the sector has experienced to date. These impacts created knock on impacts on the agri-processing and export sectors, the extent of which is still being calculated. Other economic sectors have experienced impacts due to the heavy water restrictions (45% less water use off 2015 baselines in urban areas), significant reductions in water pressure (as part of the management approach for municipalities to reduce water use), variable water quality and the increased price of water with higher levels of restrictions. These impacts differed between municipalities based on their risk status of drought and their response to the water crisis. The collective work of the Economic Water Security workstream was aimed at minimising these impacts.

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

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

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

The activities of the Enterprise Development unit focused on access to finance, access to markets, capacity building, crafting a culture of entrepreneurship with the associated pipeline of potential entrants drawn from various initiatives; business development support and sustainable procurement. These initiatives contributed towards job creation and the expansion of businesses by enabling them to inter alia, move up the value chains within sectors such as agri-processing. The partnerships developed by the Department enabled it to scale projects in terms of magnitude and reach linked to its planned interventions.

The Regional and Local Economic Development (RLED) unit's activities focused on improving local business environments by improving municipal business-facing services that will continue towards a cost saving or benefit to government and business, in the regional economy. The delivery program assessed municipal business processes and proposed appropriate improvement opportunities to implement. The aim is to reduce unnecessary cost to doing business in local areas (in terms of time, cost and complexity of procedures). The long-term outcome sought is continuous improvement of the service delivery environment to business, both domestic and foreign that contributes to jobs and growth in the Western Cape.

The RTRU conducted its projects both in response to issues raised by businesses (reactive) and by identifying areas for improvement of business-facing services delivered by national and provincial government Departments and entities (proactive). This is in line with the WCG's strategic goal of bringing about a more business-friendly environment. The Business Helpline assisted more than 1 400 businesses in the year under review, bringing to more than 8 500 the number so assisted since inception of the service. Since Regulatory Impact Assessments (RIAs) were made compulsory by way of a Cabinet resolution in May 2016 (a process driven by the unit), RIAs have been conducted in respect of a number of policies and bills. This represents a watershed in law and policy making in the Western Cape, and one sought to be emulated by other governments across all spheres. The unit's work is being assessed using the increasingly sophisticated assessment tool developed in 2016/17 and refined during the past year, a process that imparts important lessons as to the type and scale of interventions that need to be undertaken to make the Western Cape a preferred investment destination in terms of ease of doing business.

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

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

In light of the Department's objectives and alignment with PSG 1, the Economic Planning Programme developed, reviewed and supported key policies, strategies and/or frameworks of the Department, the Province and the City.

In order to assist the Department to achieve its objective, of creating an enabling environment for economic growth and job creation, Research and Development provided support to its line functions, provisioned and maintained a Centralised economic data repository and disseminated economic information through a Quarterly Economic Bulletin. These initiatives were aimed at strengthening the importance of credible data in economic decision-making, stimulating economic dialogue and informing the economic landscape. The sub-programme also supported the Western Cape Government's response to the water crisis by providing research and analysis on the economic impacts.

Additionally, the Knowledge Management sub-programme also supported the Western Cape Economic Development Partnership with the aim of encouraging economic stakeholders to engage in a manner that builds and re-enforces existing partnerships. This partnering approach is based on the recognition that government cannot deliver services effectively on its own and that much more can be achieved if the energy, resources and mandates of other spheres of government and related agencies, as well as non-government role-players, which are leveraged to assist the WCG fulfil its constitutional mandate. Due to increasing constraints on public sector funding, government programmes will be required to leverage resources and mandates outside their control in order to deliver on the Provincial Strategic Plan (PSP).

As a result, both an increase in partnering behaviour and the formation of partnerships are necessitated, across Departments, jurisdictional boundaries and spheres of government and with external sectors, i.e. the private sector, civil society, academia, in order to achieve socio-economic developmental goals and objectives.

Furthermore, the scale and complexity of the challenges faced are beyond the ability of any single sector, discipline or sphere of government to resolve. The complexity of transversal projects requires public sector managers to rely increasingly on skills and activities such as convening, facilitating, negotiating, mediating, and collaborating across boundaries. An integrated partnership and partnering system is needed to facilitate and support these public sector programmes.

The WCEDP facilitated this approach by providing tailored partnering solution initiatives to support the implementation of public sector development objectives within the local and regional economic development system. The role of the WCEDP is focused on area-based and issue-based partnering solutions, as well as knowledge management and learning.

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

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

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

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: ADMINISTRATION

Purpose

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

Programme structure

The Programme is structured as follows:

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

Service delivery objectives and indicators

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

The past year observed the integration of various strategies and related processes to enhance Financial Management's support service so as to safeguard the Department's ability to fulfil its role as the lead Department for PSG 1 without sacrificing its intended objective of achieving financial governance superiority.

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

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

Promoting excellent client services

Financial Management has embarked upon the Lean journey in some of its operational areas and is looking to continue developing and building a culture in which units are focused on the elimination of waste. In other words, delivering services through streamlined processes that minimizes non-value-added activities. It has introduced Lean thinking to its service focused functions. Understanding that customer satisfaction is paramount, Finance reviewed its current procedures and identified processes which were cumbersome to the end users, had excessive processing steps and entailed multiple approval levels - all of which created waste. Financial Management successfully identified and implemented various efficiency measures, which contributed to financial management exceeding its target regarding the implementation of efficiency measures. Examples of these include:

- Cutting down on excessive certification on invoices and BAS forms;
- Reducing excessive authorisation of cell phone claims;
- Condensing excessive completion of declaration of interest forms by officials involved in transfer and stipend payments;
- Streamlining processes by condensing three different submissions into a singular template; and
- Streamlined existing processes by creating an online procedure for the asset movement form.

A further step to improving the client relations within the Department, Financial Management undertook a process to simplify the Project Implementation Planning approach followed within the Department. This simplification led to, for example, the use of drop down menus where managers could merely select the best options available. Further to this process the allocation of resources was also simplified thereby ensuring a more accurate forecasting tool for project managers to utilise.

In a phased approach to improve the budgeting process, the Financial Management unit undertook a process of project budgeting. Within this process, cash flows presented to the line units were simplified further to report on project progress rather than conflate allocations. This process had the following benefits to the Department's namely:

- Project managers could identify exactly what was expended on each project and as such determine what was still required;
- Greater accountability was achieved by the Department's project managers; and
- Improved project management amongst the Departments project managers.

In addition, to ensure that the Department receives maximum value and that goods and services are delivered on time, at the right price and of the right quality and quantity, there must be a good understanding of the market. Having realised this, the Department embarked on a process to gather sufficient information about the services to be procured through the analysis of the market and historical information. The Project implementation Plan template were reviewed to incorporate pertinent questions that prompts the project managers to conduct a full market analysis of the services required. This has increased the Department's efficiency to aid better and more informed decision-making from the service, quality, cost and socioeconomic perspectives. This has also provided for a greater understanding of the supplier market and how to involve them in the procurement process which ultimately led to improved costing and industry benchmarking.

In efforts to excel its client service, finance, in conjunction with the line functions has introduced strategic sourcing that is a collaborative and structured process in its procurement to realise value for money. Accordingly, numerous tender processes for similar goods and services that take place across the Department such as the artisan skills development was identified. This has led to the Department putting together a database by which prospective service providers are invited through an open tender process to register on the database for a duration of two to three years. The time and effort spent on procuring the training for learning institutions has greatly reduced duplication of effort and led to standardising the items and using only the database of procuring the services.

Financial management understands the frustrations and plight of suppliers, especially the small business owners (SMME's), as they are important stakeholders in the fight against the triple challenge of unemployment, poverty and inequality, hence its commitment to the 30 day turnaround time for the payment of goods and services. With proper systems and monitoring in place, payments to beneficiaries are processed within an average of 18.31 days from the date of receipt of invoice in the Department to the date of payment into the beneficiaries' bank account. Finance has further set a target to process 70% of all bids within 60 days and has for the period under review exceeded that target in that 100% of all bids were processed within 60 days. These turnaround times was achieved without any governance standards being sacrificed

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

In realising our responsibility to establish an effective compliance framework and processes, compliance monitoring was improved through the revision of standardised templates. The procurement templates have undergone significant changes to make them user-friendly and easy to understand for both the bidders and line functions. The lay-out of the templates has also been made simple and easy to use and the line functions are encouraged to use language that is unambiguous and easily understood. The documents have been standardised and are relevant to the type of procurement to be undertaken. These changes have a great potential to increase the efficiency and effectiveness of Department's spending.

Moreover, in setting clear standards and ensuring compliance, the Supply Chain Management and Financial Delegations underwent its annual review with the unswerving intent to engender efficiency into processes and adequately locate accountability and responsibility of budget holders within Programmes. During the 2017/18 financial year, the Delegations of Authority was revised to ensure that processes were unhindered by structural changes. Due to these said changes, it enabled Programmes to more effectively manage, control and thereby be accountable for their budgets and to limit the risk exposure in certain areas.

In furthering efforts to enhance the capability of service delivery programmes to perform their daily financial management responsibilities, Financial Management developed and communicated the Financial Management User Guide which documents in a very practical manner all processes related to the Financial Management cycle that staff utilises to implement their projects. The User Guide is complementary to the Departmental Financial Manual which retains the financial management legislative framework or all policies whereas the Guide demonstrates all processes applicable to the service delivery programmes. The format of the Guide is as intended, a simple and clear narrative on the process with an accompanying process map which provides quick and easy guidance to the user.

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

In order to create an enabling environment that develops a positive customer service culture, the unit recognised that officials had to be equipped with the relevant skills and knowledge to meet its objectives. This encouraged Financial Management to coordinate and conduct various training programmes to staff with the specific intent to capacitate staff on financial management processes.

The Chief Directorates' efforts in enhancing its training capability and the effectiveness of the training interventions were two-fold during the 2017/18 financial year. In the first instance, the repository and recurrence of queries from the Financial Management Helpdesk platform set the precedent to formulate frequently asked questions with the intent of addressing staff training needs through a mechanism that increases the knowledge base of staff without the operationally challenged classroom-type training. In the second instance, Financial Managements' training initiatives delved into the Information and Communication Technology space and progressed traditional-styled training presentations to animated-styled videos with the intention of visually and therefore more impactfully capacitating staff on financial management processes and procedures.

The chief directorate exceeded their target of training programmes for the year based on the growing demand for such interventions by Programmes as well as born from legislative changes and revisions of processes.

As public servants, Financial Management constantly strive to act in a way that will lead to improving the quality of service delivery. Hence, the chief directorate conducted regular functional training with financial management staff to increase efficiency in employees, to encourage professional development, team performance and overall cohesion in the individual units.

Corporate services

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

To support the objectives of Departmental projects, the Unit implemented a number of communication campaigns. The communication budgets of the Department's directorates were centralised under the Communication Unit to ensure a streamlined approach to the roll-out of communication campaigns. The Unit played a central role in facilitating the relationship with the contracted media agencies, ensuring communication campaigns were properly briefed, and implemented. Notable projects included multi-media awareness campaigns for the Premier's Entrepreneurship Recognition Awards, Journey to Service Excellence and support to the roll-out of the Apprenticeship and Energy Security Game Changer communication campaigns. In an effort to extend the reach of the Department's communication campaigns, the Unit also translated and produced communication products into English, Afrikaans and isiXhosa.

In conjunction with the line functions, the Communication Unit has the task of ensuring that the Department's website remains updated. Website updates were generally project-specific. The Departmental website was often used as a tool to draw applications for Departmental projects, provide stakeholders with more in-depth information and to create awareness of programmes being run in the Department.

Knowledge Management

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

The overall objective is to leverage the value created by the knowledge assets that are produced.

Enterprise Content Management is the key goal of the knowledge management unit. To that end, a conglomerate of platforms and tools are being used to digitally capture and store and manage DEDAT information. The core of the application set is the MyContent system for document and record management.

The Knowledge Management unit has moved to a dual document registry system comprising of both paper and electronic document stores. The Departmental File Plan has been implemented on the electronic system (for ease of filing and retrieval) and dedicated staff have been skilled in digitising DEDAT's institutional knowledge that resides in the Registry. This move opens the door to a plethora of opportunities from e-signatures to improved knowledge share and collaboration.

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

- ICT Application portfolio available to DEDAT.
- POPI Act and how it will be implemented in DEDAT.
- Provincial Programme and Project Management Methodology for Western Cape Government.
- Red Tape Reduction- The Impact of Red Tape Reduction in the Western Cape.

Departmental Performance Monitoring

As the custodian of the Department's 'M&E system', with the mandate to monitor and evaluate Departmental performance relative to our medium-term plans and priorities, the 'M&E system' strengthening actions included the following interventions:

- Managed the mandatory non-financial performance information and reporting function.
- Produced progress monitoring reports on Departmental programmes and initiatives.
- Fulfilled the technical quality assurance role to produce the Department's Technical Indicator Descriptions for 2018/19.
- Formalised, via a Standard Operating Procedure, the 'Review & Publication of Technical Indicator Descriptions' business process.
- Produced Two-year Review of DEDAT's performance, 2015/16 – 2016/17 to inform strategic planning 2018/19.
- Managed the Department's participation in the annual Managing Performance Assessment Tool (MPAT) review.

Progress Monitoring via Monitoring Reports

Programme performance monitoring

In the '*Analysis of Red Tape Cases*' report, we analysed the monitoring data produced by the Department's Red Tape Business Helpline - a flagship Departmental project - and strongly aligned to delivering against the PSP outcome of R1 billion in cost savings/monetary benefits by 2019. The analysis revealed that whilst the majority of cases related to some form of information or business support need, (85%), the 8% of regulatory cases resolved derived high economic impact in the Province.

Institutional Monitoring

In 2017, the national Department of Planning, Monitoring & Evaluation (DPME), the custodian for M&E functions across Departments, undertook a review of the MPAT annual assessment, which was now in its 5th year of implementation. This review prompted the Unit to undertake an Analysis of DEDAT's MPAT Performance: 2012 – 2017, to understand the key trends in management practices (achievements, challenges), so as to inform the improvement actions for our MPAT approach for 2018 and beyond.

Monitoring management practices: Department scores a Level 3 in its Monitoring area

Notwithstanding the Department's consistent achievements in MPAT (averaging above compliance in most of its management practices), the performance in our Monitoring standard dipped to a 3 in this year's MPAT assessment. A primary reason related to the Department's limitation in not securing the requisite evidence for how top management recorded its deliberations of the non-financial performance reports for the period under review. Through the MPAT Improvement Plan, signed off by the Accounting Officer in May 2018, the remedials instituted in the Monitoring standard in 2018/19 may, if sustained, greatly assist the Department to improve its score in time for the MPAT 2018/19 assessment phase.

Monitoring & reporting Departmental Non-Financial Performance

Produce the Department's quarterly and annual performance reports

This core business requirement entails the M&E unit managing the Department's non-financial performance information and reporting system, through the systematic validation, processing, collation and approval of at least 80 performance indicators contained in the Department's APP of 2017/18.

Use of QPR output data to inform Strategic Management and Planning

Since the previous year, and in line with the best practice of ensuring that Departmental outputs data is analysed and used to inform strategic management processes in the Department, in 2017, the M&E Unit developed a Review of DEDAT's Performance: 2015/16 to Q1: 2017/18 to inform the Department's annual business planning session. This analysis was presented at the top management's strategic session and was used to reflect our progress against the Strategic Plan 2015 - 2020 objectives as well as the provincial economic outcomes contained in the Provincial Strategic Plan. This achievement highlighted how, the regular output data could be disaggregated to deliver monitoring data which could then be juxtaposed to produce actual, detailed performance metrics against each of our seven strategic priorities and five-year strategic objectives.

Evaluation

The Department did not conduct funded evaluations in the 2017/18 year which does militate against our achieving a higher score in the Evaluation standard assessed in MPAT 2017. In 2017, the DPME positively assessed DEDAT for having a Departmental Evaluation Plan and that its M&E Strategic Framework conformed to national prescripts, which were the two factors that largely contributed to the over-achievement against the planned target, with the Department scoring a 2,5 (out of 4) in the Evaluation management practice.

As alluded to in previous Annual Reports pointing to an upswing in demand for evaluation products as from 2018/19, the Unit co-developed an evaluation concept note with the Skills Development programme in Q4: 2017/18. This evaluation, to occur over a two-year period commencing in 2018/19, proposes a systematic review of a flagship Departmental programme, the Software Development in School's (SWD@Schools) initiative, to assess how the programme's design and implementation has socioeconomic, educational and developmental benefits for school learners, teachers, technology businesses and participating Departments (WCED, DEDAT) over the 2014/15 to 2020 years.

An additional anticipated benefit is that through this evaluation, the Department's score in its MPAT assessment area for how it conducts and uses Evaluations to inform strategy, will improve during the next MPAT assessment phase.

Indicator Systems Strengthening: Formalised procedures for Technical Indicator production

Since assuming the role to produce the Department's Technical Indicator Descriptions aligned to the Annual Performance Plan in late 2015/16, a need was recognised to formalise this key organisational process involving the M&E Unit and seven service delivery Programmes. Towards the end of 2017/18, the Department produced a formal Standard Operating Procedure to guide both its external and internal users, for how Departmental indicators are reviewed, technically constituted, reviewed and ultimately, externally published onto the WCG's website, as aligned to national guidelines.

Outcome indicator	Baseline (Actual outcome) 2016/17	Actual performance against target			Deviation from planned target to actual achievement 2017/18	Comment on deviations
		Target 2017/18	Actual 2017/18			
Sub-programme: Financial Management						
1.1	Unqualified Audit Opinion	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	-	-
Sub-programme: Corporate Services						
1.1	Number of Departmental Communication Plans in place to ensure effective communications.	1	1	1	-	-
1.2	Functional M&E system aligned to national/provincial standards.	MPAT: M&E Level 4.	MPAT: Monitoring - Level 4 and Evaluation - Level 2.	MPAT: Monitoring - Level 3 and Evaluation - Level 2.5.	Under-achieved by 1 level in the Monitoring standard. Exceeded by 0.5 in the Evaluation standard.	Monitoring: Under this assessment area, a Department is required to submit eight evidence sources to demonstrate how its top management (collectively) engages with the quarterly non-financial information report (QPR) and uses it to inform improvements. DEDAT submitted all, except the four sets of approved DTM minutes where the QPR achievements /under-achievements were deliberated on. While the DTM meetings were held, a challenge was experienced in affording adequate time on, often, lengthy agendas in which matters of higher strategic concern were sometimes, prioritised.

Outcome indicator	Baseline (Actual outcome) 2016/17	Actual performance against target			Comment on deviations
		Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18	
Sub-programme: Corporate Services (continued)					
					<p>Evaluation: This area measures whether a Department has capacity, any plans and whether it implements evaluations in accordance with the national DPME policy prescripts. While the Department could substantiate that the M&E function has an evaluation mandate with staff having evaluation as a responsibility (hence reaching the Level 2), the Department over-exceeded in that it could also provide evidence to substantiate that its existing M&E framework was compiled using the DPME guidelines, which raised the score to a Level 2.5.</p>
1.3	Maintenance of the centralised knowledge management system (ECM) to achieve electronic data governance and institutional memory.	ECM system maintained (Named MyContent).	ECM system maintained (Named MyContent).	ECM System maintained.	-

Performance indicators and targets

Performance indicator (Output)	Actual Achieved 2014/15	Actual achieved 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations	
				Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Financial Management								
1.1	Average number of days for the processing of payment to creditors.	Payment to creditors within 30 working days.	Payment to creditors within 17.12 days.	Payment to creditors within 17.26 days.	Payment to creditors within 30 days.	18.31	11.69	Systems and Controls are in place to ensure sound management of payments.
1.2	Percentage of bids processed within 60 days (No. of bids processed within 60 days/total number of bids.	-	-	-	70%	100%	30%	Efficient SCM processes are in place to ensure the successful processing of bids in a reduced timeline without jeopardising compliance.
1.3	Cumulative expenditure as a percentage of the budget.	99.71%	97.41%	97.58%	98%	98.51%	-	-
1.4	Number of financial efficiency interventions implemented.	9	5	4	4	12	8	To improve the quality of service delivery, financial management looked at how it could enhance turnaround strategies and streamline its processes by applying lean methodology.
1.5	Number of financial manual training sessions conducted.	20	14	21	12	18	6	The Financial Management training is demand-led and therefore linked to staff training requirements, new staff as well as legislative changes in the environment.

Performance indicators and targets (continued)

Performance indicator (Output)	Actual Achieved 2014/15	Actual achieved 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations	
				Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Corporate Services								
1.1	Departmental events calendar developed and updated.	-	-	1	1	1	-	-
1.2	Number of official documents translated.	29	29	14	20	23	3	More communication products were produced than anticipated which led to an increase in the demand for translation.
1.3	Number of communication interventions implemented.	-	-	21	7	36	29	The water crisis and other requirements for communication intervention led to more communication interventions than initially planned.

Performance indicators and targets (continued)

Performance indicator (Output)	Actual Achieved 2014/15	Actual achieved 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations	
				Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Departmental Performance Monitoring								
1.1	Number of monitoring reports.	6	4	1	2	2	-	-
1.2	Plan, implement and review the Department's participation in MPAT.	-	1	1 MPAT improvement report	Departmental score card approved by AO by 30 September.	AO approved on 9 November 2017, in line with DPME time-frames.	-	-
1.3	Quarterly performance reports submitted.	-	-	4	4	4	-	-
1.4	Co-ordinate the development, review and submission of indicator reports for Departmental programmes.	-	-	-	Consolidated technical Indicator Report for Departmental programmes submitted.	Consolidated DEDAT Indicator Reports submitted.	-	-
Sub-programme: Knowledge Management								
1.1	% of Departmental records stored on ECM out of the total records received.	-	86% of records received stored and disseminated.	80% of records received stored and disseminated.	85% of content stored and managed (N=2 000).	88% (Abdul to provide (N=2 000).	Reason for over-achievement to be provided.	The increase in records added to the ECM system occurred as a result of improved state of records received. This reduced time needed to prepare records for storage in ECM.
1.2	Number of Learning networks facilitated.	4	5	4	4	4	-	-

Strategy to overcome areas of under performance

Not applicable.

Changes to planned targets

Not applicable.

Linking performance with budgets

During the 2017/18 financial year, Programme 1: Administration was allocated a financial resource envelope of R58.541 million. Of this, R36.325 million was allocated to Compensation of Employees, R17.596 million to Goods and Services and R4.508 million to payments for Capital Assets.

During the financial year, 99.20% of the allocated budget was expended. The primary drivers of this expenditure was Compensation of Employees amounting to R36.324 million and Goods and Services amounting to R17.132 million.

For the 2017/18 financial year, the Corporate Services unit housed the communications requirements of the entire Department. Chief amongst the communications projects for the year was the Energy Security Game Changer communications amounting to R3.850 million.

Other notable expenditures were allocated to Audit costs amounting to R2.324 million as well as the upskilling of staff (R1.231 million) of which bursaries for staff members of the Department amounted to R352.000 and the provision of IT and other capital equipment to staff amounted to R2.495 million.

Sub-programme Expenditure

Sub-programme Name	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the HoD	6 055	6 054	1	7 926	7 417	509
Financial Management	31 746	31 610	136	26 714	26 714	-
Corporate Services	20 740	20 403	337	17 674	17 525	149
Total	58 541	58 067	474	52 314	51 656	658

4.2 PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose

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

Programme structure

The Programme is structured as follows:

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

Service delivery objectives and indicators

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

Enterprise Development

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

The impact of the Enterprise Development unit’s initiatives contributed and translated into the expansion of businesses which is critical for economic growth and job creation. The various programmes and projects of the unit resulted in 31 SMMEs expanding their operations which were evident in increased turnover.

Regional and Local Economic Development

The processes and administrative systems underlying government business-facing services can be inefficient, unpredictable and unnecessarily complicated thus negatively impacting on smooth delivery. To improve ease of doing business, the Regional and Local Economic Development sub-programme focused on simplifying local government processes that contribute to an enabling business environment that promotes local economic development.

The unit’s delivery programme assessed municipal business processes and proposed appropriate improvement opportunities to implement with an aim to reducing unnecessary cost to doing business in local areas (in terms of time, cost and complexity of procedures). Fifty-three (53) recommendations for improvement, across four (4) municipalities, were successfully proposed. In addition, the Municipal Service to Business (MS2B) programme implemented improvement projects aimed at adding value to the construction, investment and tourism sectors, in fourteen (14) municipalities. The MS2B Initiative demonstrated that improving key business-facing services in terms of processes and procedures at municipal level contributes towards a positive effect on the business environment within a local economy.

Red Tape Reduction

The unit continued to work towards the objective of ensuring that the WCG government achieves its target of R1 billion in red tape savings and benefits generated by its initiatives to create a more business-friendly environment in the province.

Following the May 2016 adoption by the provincial Cabinet of Regulatory Impact Assessment (RIA) as a requirement for all significant new legislation and policies issued in the Western Cape, the unit participated in a number of RIAs and fulfilled its role as a member of the Central RIA Steering Committee. It also commented on various pieces of legislation, across a diverse spectrum and participated in discussions on proposed legislative interventions ranging from the Competition Commission's Grocery Retail Market Inquiry and the discussion initiated by the Department of Home Affairs on its repositioning into the security cluster. Business process improvement (BPI) remained a mainstay of the RTRU's initiatives to improve ease of doing business. It made improvement proposals covering several business-facing services rendered by various provincial and national departments. Those that were implemented, though small in number, brought about substantial benefits for the affected industries and businesses, as demonstrated by subsequent assessment using the impact assessment tool referred to below. The unit is in negotiation with the management of departments where some of the improvement proposals are yet to be implemented.

The Business Helpline service has been internalised and a new software system implemented to improve logging, monitoring, feedback and reporting. The in-year resolution rate of 89% exceeds the target of 85%, and was achieved against the background of increasingly complex matters being reported.

The Red Tape Costing Tool was considerably refined and subjected to external review that has seen it become both more robust and sophisticated.

Outcome indicator	Baseline (Actual outcome) 2016/17	Actual performance against target			Comment on deviations	
		Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme 2.1: Enterprise Development						
1.1	Number of businesses expanded.	50	20	31	11	The planned target was over-achieved due to the better than expected project performance.
Sub-programme 2.2: Regional and Local Economic Development						
1.2	Number of municipal business-facing services improved (in terms of either time, complexity and/or cost).	-	4	4	-	-
Sub-programme 2.4: Red Tape Reduction						
1.1	Number of provincial/national business-facing services improved.	5	5	5	-	-
1.2	Monetary value of savings by and the benefits to, government and business resulting from Red Tape Reduction initiatives.	Establish baseline.	R200 million	R278 million	R78 million	The sum of the benefits is beyond the direct control of the unit, and depends on the nature of the issue addressed.
1.3	Percentage resolution rate of cases received.	85% N=1 400	85%	89%	4%	The resolution rate depends on factors that are largely beyond the control of the unit, including the complexity of the matter, the response (or lack of response) by the government Department, regulator or public entity concerned and by the business where additional information is required.

Performance indicators and targets

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

Enterprise Development

Entrepreneurship

The Premier's Entrepreneurship Recognition Awards (PERA) 2017 identified, showcased and recognised innovative entrepreneurs who have displayed excellence in various areas. The PERA 2017 - the fifth consecutive annual competition - provided a platform for many entrepreneurs and business owners to profile their businesses in various mediums which increased their exposure and footprint. A total of 227 entries (over five categories) were received and judged by a broad spectrum of highly skilled and competent competition judges. The PERA enjoyed non-financial sponsorship from the following entities: ABSA Bank Limited, Deloitte Western Cape, Business Partners, Pick n Pay, Pike Law and Yue Dilligence. The overall winner was the Clothing Bank, a social enterprise whose vision is to inspire, skill and support unemployed South Africans to eradicate poverty in their lives. They achieve their vision through empowering unemployed women and men to start small businesses so that they can become financially and socially independent. Since the inaugural ceremony, the number and quality of applicants increased which was evident in the PERA 2016 winner - Auto Magneto, a wholesale and retail supply of quality auto electrical products and accessories in Cape Town who visited the Auto Mechanika in Shanghai where they engaged with various automotive manufacturing companies and identified a range of new products to enhance their current product range. They also visited factories in Guanzhou, where their Chinese supplier agreed to invest in the business by supplying them with the machinery, equipment and training in order to manufacture certain product lines.



PERA 2017 category and overall winners

Access to financial and non-financial support for SMMEs

Access to financial and non-financial support is critical to creating an enabling environment for SMMEs. The lack of finance readiness, coupled with the lack of awareness (information), have been identified as key constraints faced by SMMEs in accessing financial and non-financial support. Given these constraints, the Department conceptualised and implemented interventions aimed at disseminating information relating to financial institutions and their service offerings, equipping SMMEs with the necessary skills to improve their ability to access funding and providing innovative funding solutions in the form of contract financing to SMMEs.

The unit successfully hosted the third Western Cape Funding Fair, a partnership between Deloitte and the Department, which aimed to facilitate face-to-face contact between project promoters, entrepreneurs and various funding institutions within the region. The Funding Fair provided a platform to educate and empower

project promoters and entrepreneurs on the holistic approach and processes to follow in turning ideas into bankable business plans that have a higher probability of attracting the right type of funding and investment. The Funding Fair attracted over 1 000 delegates and was supported by 20 funders who formed part of the 26 exhibitors on the day.



The unit piloted an Investment Readiness Programme to assist businesses to develop the capacity and capability of entrepreneurs and business owners in acquiring business finance. The programme provided a capacitation session where information relating to the investment process, investment requirements and technical information was transferred to businesses. In addition to the learning experience, the investment readiness sessions provided a platform for networking sessions with funders. More than 100 businesses were assisted through this platform across the province, of which three obtained funding. For the period under review, businesses have obtained funding in excess of R8 million.

The unit continued to engage with Casidra and the National Empowerment Fund (NEF) to provide financial assistance to SMMEs. The SMME Loan Fund managed by Casidra, offered contract finance ranging between R10 000 and R100 000 to SMMEs operating in the Western Cape. One hundred and seventeen businesses received funding to the value of R6 122 306 through this initiative.

The Agri-processing Supplier Development Programme assisted businesses through a structured process, (business turnaround or business improvement) with requisite interventions (e.g. purchase machinery or develop a marketing plan) to enhance the entrepreneur's skills and the competitive position of the business (scale and efficiency). The aim of the programme was to improve the capacity of businesses to access new and existing market opportunities. With an investment of R2.5 million, the Department supported 21 businesses which resulted in 14 businesses expanding their turnover by a total of R15.9 million and created employment for 89 additional staff.

The Emerging Business Support Programme (EBSP), a joint initiative between the Department and Absa Bank Limited, provided non-financial support to SMMEs. The programme assisted 830 entrepreneurs across the province through a two-day accredited training workshop with the relevant business knowledge and skills. The businesses were recruited through a joint public marketing initiative.

The Department initiated the Advanced Emerging Business Support Programme which provided training support to 150 businesses in areas such as the City of Cape Town, Overberg, Cape Winelands and Eden. The training focused on areas such as sales and marketing, human resource and operations, business strategy and financial management. The programme will be rolled out in the next financial years to all other areas not

covered during the period under review.

The Public-Sector Supplier Development Initiative (SDI) – a collaborative intervention with Provincial Treasury – served to enhance the ability of suppliers to register, procure and transact with government via the CSD and the WCSD. The collaborative initiative resulted in 974 suppliers being registered. The Department independently hosted fourteen (14) workshops successfully conducted, which reached almost 500 suppliers across all the municipal areas of the Western Cape. The objectives of the SDI were to address supplier needs, improve supplier relations and communication and improve procurement efficiencies. Interventions were focussed on:

- Awareness and education regarding the amended B-BBEE Act, Codes of Good Practice and B-BBEE Regulations;
- Overview of the CSD registration process and benefits thereof for SMMEs as well as creating a platform for registration;
- Online assistance with tax matters, business compliance and BEE verification (affidavits); and
- Awareness about the general procurement practices and processes which will all feed into improving the ease of doing business with government (e.g. the use of e-procurement and procurement technology).

As part of its strategy to increase access to markets for qualifying business, the Department supported 20 businesses to attend and exhibit at the Smart Procurement World Expo. The exhibition aimed to provide SMMEs with the opportunity to engage with procurement professionals from both the public and private sector with the aim of accessing new markets.

The Long Street Kiosks provided an opportunity for ten fledgling entrepreneurs to utilise the kiosks situated on the corners of Long and Wale Street in the Cape Town Central Business District. The Department conducted a diagnostic analysis of these businesses to identify areas for improvement. Through a partnership with the Small Enterprise Development Agency (Seda), individual businesses were provided with both advisory support and direct business development support.

The Department collaborated with the Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ), local corporates, local municipality and parastatals (in the West Coast region) on the development of a procurement portal to assist and develop SMMEs. The procurement portal integrates all business opportunities of West Coast corporates, parastatals and the SBIDZ into one virtual environment.

Regional and Local Economic Development

Poorly developed government processes and legislation have negatively impacted the cost and ease of doing business. It is necessary to address government processes and legislation that makes it unnecessarily cumbersome for firms to conduct business. The Municipal-Service-To-Business (MS2B) programme of the unit focused on improving municipal business-facing services across the Province in a manner that supports systemic change required to positively and methodically impact local business environments.

MS2B assessed business processes of statutory application and approval processes (noting time, cost and administrative burden efficiency) and proposed appropriate business process improvement opportunities to implement. Over the past year, fifty-three (53) recommendations for improvement to four (4) municipalities were successfully proposed.

In addition, the following improvement projects (aimed at adding value to the construction, investment and tourism sectors), were implemented in fourteen (14) municipalities.

The MS2B Building Control Portal Project is an improvement initiative, rolled out to eight (8) municipalities - Bitou, Knysna, George, Mossel Bay, Hessequa, Oudtshoorn, Breede Valley and Stellenbosch - that addresses optimizing the building control environment in municipalities through the establishment of a web-based portal that allows applications to be lodged online and that links to the workflow process of the municipality.

The MS2B Building Control Digitized Workflow Project is an improvement initiative that addresses optimizing the building control environment in four (4) municipalities - Knysna, George, Mossel Bay and Swartland - through the ICT assessment and customization of digital improvements that underpin the workflow processing of building application and approvals. These initiatives promote an increased rate at which building plans are assessed and approved at municipal level and allows the municipality to move to a paperless environment resulting in business saving costs due to a reduction in time and procedures.

The MS2B Investment Readiness Project assisted Hessequa municipality with the development of effective investment facilitation Standard Operating Procedures (SOPs). This intends to create uniform investment promotion and facilitation processes and procedures to attract new investors and retain existing ones. The Investment Facilitation Guideline for Investors on how to land their ventures, a comprehensive Policy Brief that contains Policy Statements to inform future investment facilitation and a streamlined Investment Facilitation by-law plan intends to realise real investment opportunities that stimulates economic development and results in jobs.

Finally, the MS2B automation of an Event and Film Workflow Project implemented in Knysna aimed to streamline the event and film permitting and management process that will promote a greater basket (and so also revenue) of events and film opportunities in regions. This project presents an opportunity to significantly improve the turn-around time for event and film applications and reinforce that regions are serious about the provision of a business-friendly environment and the optimal leveraging of tourism potential.

Red Tape Reduction

The RTRU continued to do its work against the backdrop of the R1 billion PSP target of savings in red tape (administrative burden) on businesses and/or increased economic benefit to be generated through initiatives aimed at improving ease of doing business in the province. Having achieved a provisional figure of approximately R589 million (projected until the end of the PSP period) with 13 interventions in 2016/17, the red tape costing tool (or impact assessment tool, as it is now known) was considerably enhanced in Phase 2 of the project. The savings and benefits in respect of interventions undertaken since Phase 1 were calculated to amount to almost R278 million for the year.

Unlike previous years, 2017/18 saw the unit achieving notable success in relation to process improvement proposals made to national government Departments. Whilst buy-in from national government Departments remain difficult to obtain, a proposal with regard to a protocol for importation of eggs (initially from Brazil) was accepted and implemented by the Department of Agriculture, Forestry and Fisheries. Similarly, some of a set of proposals made in regard to tourism transport operator permits were implemented by the Department of Transport. The unit also undertook considerable research and engagement in 2017/18, laying the groundwork for initiatives to be completed in 2018/19, including the extension of the moratorium on the implementation of a regulation issued under the National Road Transportation Act, which will see maximum height of vehicle and load combinations limited to 4,3 metres, a restriction that the road freight industry says is impossible to comply with on or before the 1 January 2019 implementation date.

Interventions in individual cases reported to the unit by businesses brought about benefits of several millions of Rands - for example, a small West Coast yacht builder, on whose behalf the unit intervened to ensure the delivery of a yacht to a boat show in the US. As a result, it won two design prizes and managed to negotiate ongoing orders that pulled the company from the brink of bankruptcy and set it on a firm growth trajectory. Another example is a tram company, where the expediting of its application of tourism signage resulted in it being able to commence operating a second line and offer a new experience to tourists in the Cape Winelands, garnering new business running into tens of millions per annum.

The unit's work in relation to legislation included commentary on a range of legislation and participation in RIAs, as well as the Central RIA Steering Committee in the DotP.

Performance indicator (Output)	Actual Achieved 2014/15	Actual achieved 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations	
				Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Enterprise Development								
1.1	Number of entrepreneurship promotions and/or business support interventions.	-	10	5	5	5	-	-
Sub-programme: Regional & Local Economic Development								
1.1	Number local government specific business processes and/or legislation improvements developed and proposed to the relevant stakeholder(s).	-	-	79	52	53	1	Within the existing scope of the project and the existing budget allocation an additional improvement measure could be proposed.
Sub-programme: Red Tape Reduction								
1.1	Number of provincial and national government specific business processes and legislation or policies for which improvements were developed and proposed to the relevant stakeholder(s).	-	-	10	15	18	3	The number of improvement proposals depends on the business-facing process being subjected to review by the RTRU. If it is found that several areas of the process should be improved, proposals will be made in respect of all such areas. That was the case with a number of such processes during the reporting period.
1.2	Number of cases received.	1 881	1 501	1 519	1 400	1 442	42	The number of cases logged depends on the demand by businesses and is therefore beyond the control of the unit.
1.3	Number of commentaries submitted in respect of bills, draft regulations and/or policies.	-	-	11	12	15	3	The unit submits commentary on all policies and legislation which it believes might impact on the ease of doing business. Using that criterion, more policies and draft legislation than planned was reviewed and commented upon.

Strategy to overcome areas of under performance

Not Applicable

Changes to planned targets

Not applicable

Linking performance with budgets

During the 2017/18 financial year, an amount of R38.292 million was appropriated to the Programme of which the actual expenditure amounted to R37.174 million. This translates to actual expenditure of 97.1% of the Programme's total budget.

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

- Compensation of Employees accounted for R17.602 million or 47.35% of total expenditure;
- Goods and Services accounted for R12.489 million or 33.6% of total expenditure;
- Transfers and Subsidies accounted for R6.285 million or 16.91% of total expenditure; and
- Payments for Capital Expenditure amounted to R783 000 or 2.1% of total expenditure.

Sub-programme expenditure

Sub- programme Name	2017/18			2016/17		
	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	22 391	22 314	77	23 747	23 496	251
Regional and Local Economic Development	7 271	6 828	443	6 537	6 415	122
Red Tape Reduction	8 630	8 032	598	11 999	11 750	249
Total	38 292	37 174	1 118	42 283	41 661	622

4.3 PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Purpose

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

Programme structure

The Programme is structured as follows:

- Sub-programme 3.1: Trade and Investment Promotion.
- Sub-programme 3.2: Sector Development.

Service delivery objectives and indicators

The 2017/18 financial years presented a challenging economic environment and uncertainty. National challenges included political leadership uncertainty, national policy uncertainty, widening fiscal deficits, exception currency volatility and a once-in-400-year drought in the Western Cape that is having a devastating impact on the agricultural sector. Notwithstanding these challenges, employment growth has held up reasonably well. By the first quarter of 2018, Statistics SA reported that the Western Cape created 123 000 jobs over the previous year, while at the same time the national economy only created 165 000 jobs.

The primary difference supporting relatively rapid employment growth in the Western Cape over the rest of the country is the facilitation of an environment that exudes confidence in which business can operate. Confidence created in the Project Khulisa sectors, Oil and Gas, Agri-processing and Tourism, has had a contagion effect across the whole of the economy.

Project **Khulisa Oil and Gas** growth is very dependent on the development of new port infrastructure by the National Ports Authority. We are pleased to announce the development of the Offshore Supplier infrastructure has been launched and holds promise of further employment and GVA growth for the sector.

Furthermore, the IDZ realised its third signed investor and more than 30 additional companies in the pipeline. It is not only large investors targeted by the Department. The portal developed by the Departments has more than 2 050 businesses, facilitated more 52 business opportunities valued at more than R62 million benefiting mainly SMMEs.

With the operationalisation of Project Khulisa and its new strategic direction as well as the adoption of an outcomes-based approach, Wesgro has made significant strides in achieving the objectives of Project Khulisa and the PSG 1. During the financial year under review, R2.3 billion worth of investment was committed and a total of R2.8 billion worth of export business deals were signed.

Outcome indicator	Baseline (Actual outcome) 2016/17	Actual performance against target			Comment on deviations	
		Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Trade and Investment Promotion						
1.1	Rand value of committed investments into the Province.	R2 127 932 000	R1.050 billion - R1.8 billion	R2.29 billion	R1.24 billion	The projects realized were capital intensive, which resulted in over-performance.
1.2	Number of jobs facilitated from committed investments into the Province.	696	600-1 250	1 014	414	The projects realized were labour intensive which resulted in the over-performance.
1.3	Estimated rand value of business agreements signed (trade).	R9 054 638 854	R100 million - R200 million	R2.83 billion	R2.83 billion	The business deals were closed sooner than anticipated which resulted in a significant increase in the number of deals signed which led to an increase in the estimated economic value of the deals.
Sub-programme: Sector Development						
1.1	Value of funding leveraged by the sector bodies.	-	R10 million	R91 million	R81 million	The target was exceeded due to extensive engagement with specific funders.
1.2	Estimated value of trade and investment facilitated.	-	DEDAT research Unit to establish baseline.	Baseline established.	-	-

Performance indicators and targets

Trade and Investment Promotion

In direct relation to Wesgro's mandate for trade and investment promotion and the focus that needs to be given to the priority sectors identified in Project Khulisa, the following was achieved during the 2017/18 financial year:

Wesgro realised a total of 12 investment projects to the value of R2.29 billion, against a target of R1.05 billion – R1.8 billion. This has assisted in the facilitation of 1 014 jobs and growing the Western Cape's industrial base. Investment performance has also contributed to the objectives outlined in Project Khulisa through the commercialisation of investments in the priority sectors identified. The table below provides a breakdown of committed investment projects and the number of jobs created during the financial year under review:

Table 1. Committed Investment Projects 2017/18

Company	Source Country	Broad Sector	R (M)	Jobs	District
French Tech Lab	France	ICT	10 000 000	60	City of Cape Town
Medical Devices Cluster - Western Cape	South Africa	Manufacturing	21 000 000	35	City of Cape Town
Flooktex	Zimbabwe	Manufacturing	90 000 000	75	Atlantis, City of Cape Town
Meltwater Entrepreneurial School of Technology South Africa	Ghana	ICT	5 700 000	25	City of Cape Town
PP Excel Pty Ltd	South Africa	Manufacturing	342 390 000	175	City of Cape Town
Pegas Nonwovens	Czech Republic	Manufacturing	650 000 000	100	Atlantis, City of Cape Town
Da' Realty	South Africa/ UAE	Real Estate	500 000 000	150	City of Cape Town
The Allergen Baker	South Africa	Manufacturing	1 000 000	10	City of Cape Town
DVT	South Africa	ICT	75 000 000	150	City of Cape Town
Emergent Energy	South Africa	Green Economy	500 000 000	150	City of Cape Town
SolaFuture	South Africa	Green Economy	100 000 000	75	City of Cape Town
Solareff	South Africa	Green Economy	850 000	9	City of Cape Town
Total			2 295 940 000	1 014	

Wesgro secured a total of 53 business agreements, with an estimated economic value of R2.8 billion. The adoption of a more proactive approach with regard to client engagements and the expedition of facilitation services such as, matching companies and investors, taking companies on outward buying and selling missions and offering specialised advisory services, contributed to the over-achievement. As a result of increased efforts to work closely with the bigger exporters in the province, an exceptional business deal was facilitated for Vinimark Trading (Pty) Ltd based in Stellenbosch, to the value of R1.8 billion. The company is the largest independent specialist wine wholesale company in South Africa, covering all aspects of distributing, marketing, exporting and importing of foreign and domestic wines.

Sector Development

Within the context of a challenging economic environment presented by significant currency volatility that has impacted trading sectors, a severe drought that has been devastating to the agricultural related sectors and tourism and low oil prices that has negatively impacted rig activity of African coasts, the regional economy has held up reasonably well. The Department's approach of focusing on fewer sectors while simultaneously supporting the economic environment for growth is seeing dividends.

The Department's sectoral strategy is to significantly reduce operational funding to sector bodies, in part due to fiscal pressures experienced not only by the department but government as whole. While operational funding was scaled down, overall departmental sector support persisted. We are pleased to report that many of the sector bodies has leveraged external funding in support of their respective sectors. The total funding leveraged by sector bodies was R91.104 million.

The over-achievement was realised due to applications submitted during the previous financial year and the agreements signed and funding received only occurred during 2017/18. The Cape Clothing and Textile Cluster (CCTC), leveraged an amount of R27 million from the Industrial Development Corporation for the implementation of a Continuous Improvement Programme in the clothing and textile sector. The Craft and Design Institute (CDI) managed to raise R33 million for the growth and development of SMEs by providing access to funding through the Growth Fund, an Innovation Fund and a Loan Book.

Project Khulisa: Oil and Gas

The Khulisa Oil and Gas industry faced significant challenges during this financial year but showed year-on-year growth in both Gross Domestic Product (GDP) and employment. There was a 11% increase in GDP (R3.046 billion in 2017 to R3.390 billion in 2018) and a 5% increase in jobs created during the same period in the Repair, Maintenance and Fabrication sub-sectors (including direct, indirect and induced jobs).

Infrastructure

- Saldecho was appointed as the Offshore Supply Base quay operator and an operator agreement was signed between them and the Transnet National Port Authority (TNPA) on 23 April 2018.
- The Saldanha Bay Industrial Development Zone Licensed Company signed a lease agreement with TNPA for the first 35 ha port land that will enable them to establish infrastructure for the investors that will occupy the space in the IDZ. The earthworks have commenced on this land and it has been agreed on a 30% target for local sub-contractors.
- Other projects included the completion of the Link Bridge and upgrading of the Offshore Supply Base quay, Waste Water Treatment Works and the Besaanskloof Reservoir.

Enterprise and Supplier Development

- The ESD Portal (GrowNet) was launched during an Expo from 29 November until 1 December 2017 in Saldanha Bay.
- Currently 2 055 SMMEs are listed on the database and a data clean-up process is conducted to verify the information that was submitted.
- Fifty-two Business opportunities from corporates and the municipality to the value of R61 million were listed on the portal.

Skills Development

- The skills framework was completed with strategic stakeholders.
- Two-hundred-and-ninety artisans were placed in Oil and Gas and related companies with the focus on welders, boilermakers and mechanics.

Ease of Doing Business

- Regular engagements were hosted between SARS, DHA, DT&PW, Port Managers (Saldanha Bay, Cape Town and Mossel Bay) and other industry stakeholders to address immigration, taxation and abnormal load issues.

Marketing

- Three (3) investors signed agreements to occupy space in the IDZ.
- Outward trade missions were facilitated to Houston, Malaysia, Singapore, Aberdeen and Dubai.

Agri-processing

The 2017/18 financial year was challenging for the Agri-processing sector and these challenges emanated from the drought situation, the outbreak of Avian Influenza and the Listeriosis in the Western Cape. Notwithstanding the above, the Department continued to implement key initiatives to support achievement of Khulisa targets.

The Department continues to pride itself on its partnership with the wine industry through Wesgro to increase the exports of wine into Angola and China. The establishment of the Halal Industry Forum has enabled the Department to engage industry and community stakeholders through a platform that promotes common dialogue on industry issues.

The key activities were structured in line with the Khulisa Initiatives as outlined in the Annual Performance Plan. The Department expects to show evidence-based success of achievement of overall Khulisa Agri-processing during the next reporting period, after completion of various outcomes and impact evaluations study. The key activities providing summary information of the progress against the key result areas planned for the 2017/18 financial year included the following:

- Food Industry Cluster.
- Wine Export Promotion to China and Angola.
- Establishment of a Halal Industrial Park.
- Growing the Halal Export Market.
- Halal Certification Benchmark.
- Halal Consultative Forum.

Cluster programme (WCFPI)

The 2017/18 was the final year in which the Department provided financial operational support for the Food Industry Cluster and was marked by the following achievements:

- Support was provided to 150 companies through several interventions.
- Achieved a Market Access and compliance to food safety standards through a paperless food safety system called I-Comply, which enhances the ability of the food industry, particularly the SMEs, to meet minimum local and export food safety requirements.
- Supported companies through Export Development and promotion by participating in trade shows and exhibitions.
- Provided business linkages to local and international retailers and distributors.
- Hosting of information sessions and workshops on manufacturing processes, access to finance, costing and pricings, labelling and packaging, marketing and logistics.

Wine Export Promotion

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

- Supported by a South African retailer, four (4) successful in-store wine tastings were held in Angola. A carefully selected number of wine producers were also provided with market access to meet the buyers.
- Successful hosting of wine and food pairings with media and buyers from Angola, who received exposure to several Western Cape wines.
- Two Key Opinion Leaders networking events was held in November 2017 and March 2018, whereby various Chinese industry representatives were educated on Western Cape winemaking traditions, competitive advantage of production integrity and traceability through our Sustainable seal.
- A “How to do Business Guide: China” (available on Wesgro and WOSA’s websites) was developed in early 2017 and the official e-brochure was launched at an event held at Cape Town in September 2017.
- The successful roll out of promotion activities in both countries saw a significant increase of our packaged as well as bulk wine offerings.

Halal Export Promotion

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

- Forty companies were assisted with market access to exhibit their products, meet new buyers, and gather on-the-ground market intelligence and to also interact with various stakeholders such as the certifiers, academics and competitors.
- A very successful Halal Inward Buying Mission (IBM) was held in October 2017, with a total of 80 attendees from the Western Cape including 30 suppliers/exhibitors.
- Six international buyers from Malaysia, Singapore, UK and UAE visited the Western Cape and the mission generated R85 million in export deals.
- Seven (7) countries were also visited, some in partnership with the DTI. The countries visited were Senegal, Singapore, Malaysia, Dubai, Thailand, Nigeria and China.
- An estimated export value of R1.49 billion in Halal-related deals were generated from the export promotion strategy.

Halal Industrial Park

- Phase 2 of the Halal Industrial Park Feasibility Study was completed in May 2017.
- Feasibility Phase 2 included the development of a General Investor Prospectus on Western Cape Halal industry opportunities.
- The Department working with Wesgro started with the implementation Promotion of Investment into Halal in the Western Cape and to the three sites identified sites namely (Lynedoch, Klapmuts and Airport).

Halal Certification

The Department has commissioned research into Halal Certification Standards and Practice. The study aims at assisting the industry to become globally more competitive in support of the export strategy objectives of Project Khulisa. The study report includes global benchmarking, a gap analysis and an implementation plan. Based on the findings of the study and the gap analysis, the Department expects to roll out the next phase as part of 2018/19 financial year.

Halal Industry Forum

The Western Cape Government has consolidated and solidified relationships with the Halal Industry Interest Groups through the establishment of a Halal Forum which meets on a quarterly basis with special meetings in between to discuss issues that had been raised by members. The TOR for the Halal Consultative Forum was finalised and approved after input from the stakeholders.

Business Process Outsourcing (BPO)

BPESA leveraged R5 294 million funds and rolled out a range of projects and skills interventions to ensure that the region's competitiveness is enhanced. The organisation continued to have engagements with potential investors through face-to-face meetings and conference calls where relevant.

BPESA partnered with the Global Sourcing Association (GCSA) for the planning of the investor summit to ensure access to a larger audience of international buyers from targeted markets such as the UK which will be hosted from the 1st till 3rd October 2018. Contact Centre World will be its official industry awards partner. The Training Room Online presented a knowledge sharing gaming session, facilitated by BPESA, where participants develop the right skills through a fun learning experience. The organisation facilitated business workshops and sessions on the following:

- Psychometric assessment.
- Operations management.
- Career pathing.
- Coaching and Mentoring.
- Water Crisis Dialogue.

BPESA hosted the 2017 South Africa BPO and Contact Centre Industry Awards in partnership with the Contact Centre Management Group (CCMG) that was attended by 450 companies.

Information Communication Technology (ICT)

The Department provided operational support to the Cape Innovation and Technology Initiative (CITI), whereby the organisation leveraged a further R15.818 million for the implementation of its programmes and activities. A total of 128 permanent jobs were facilitated by ICT during the 2017/18 financial year.

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

- JAVA Post Matric Programme – 52 students were recruited, 44 trained and all were placed for internships.
- Thirty-one Companies participated in the Women in Business programme to improve their entrepreneurial skills and grow their businesses through technology.
- Fifty Companies participated in the Innotech programme that focus on in-depth research, start-up support and business acceleration.
- Velociti focussed on the implementing of the right systems and processes for businesses to ensure that they operate profitably and sustainable – 13 companies participated in this programme.
- Twenty businesses participated in the Velociti-Y programme that provide assistance for companies that are still in the idea stage.

In addition, the Department aided CITI with leveraging R72 million in private sector funding for skills development in the ICT sector, which successfully motivated for an additional R80 million in funding leveraged from the Jobs Fund for ICT skills. A total amount of R247 million was raised by CITI for the implementation of skills programmes in the province as well as nationally that will address the critical skills needed in technology and innovation with stipend support for these learners.

The EDTech Incubator selected the final eight companies (four South African and four International), which will be supported with initiatives to innovate in education. The Innovator Trust Programme that develops and supports 15 entrepreneurs and SMMEs in the ICT space is now in its final year. Other workshops facilitated by CITI includes business mentorship, financial mentorship and internal mentor feedback sessions.

Manufacturing

Clothing and Textiles

The **Cape Clothing and Textile Cluster (CCTC)** secured R27 million from the IDC to run the Continuous Improvement Programme (CIP) over the next three years. The entire cluster of over 40 firms will benefit from the CIP through research, benchmarking, exports and shared learning. The CCTC implemented the following interventions with member companies:

- World Class Manufacturing Programme – 25 domestic benchmarks were completed for the year. Best practice study tours were undertaken to local companies including Hesto Harnesses, Gelvenor Textiles, Sentinel Workwear, ACA Threads, TRW and Atlantis Foundries as well as an international trip to Turkey. Total Quality Management (TQM) and JIT workshops were facilitated at PepClo.
- Quick Response (QR) Programme, engagements with Woolworths to scope out training needs. Development of the second edition QR handbook.
- Export Promotion: The CCTC together with WESGRO facilitated a visit to Target, a USA based retailer.

The CCTC develop an online information portal to provide access to benchmark reports, training materials, presentations and Exco meeting minutes. Other workshops facilitated includes Understanding Fabric, Data Management and Absenteeism.

CLOTEX leveraged funds to the value of R4.053 million and assisted SMMEs with proactive interventions. The organisation is partnering with provincial and local government and other sector development agencies for the implementation of the following interventions:

Value Chain Alignment Programme: They signed an agreement with Productivity SA on the implementation of their turnaround solution and workplace challenge support to member companies.

Local Economic Development: CLOTEX were involved in the process to get a Zimbabwean company, Flooktex (Pty) Ltd established in Atlantis.

Market Development: CLOTEX initiated an overseas mission to Turkey and was accompanied by K-Way Manufacturers and Hi-Lite Fabrication. The company attended a B2B session with Turkish Home Textile, Apparel Textile and Linen Manufacturing companies in Cape Town as well as a Clothing, Textile, Leather and Footwear conference in Durban. WESGRO, CLOTEX, CCTC and the Apparel Manufacturers of SA (AMSA) met with the China National Textile and Apparel Council to discuss current status of industry, incentive schemes and opportunities for investment.

The **Cape Town Fashion Council (CTFC)**, through numerous strategic partnerships and sector level collaborations, leveraged R930 000 funds for the implementation of its programmes and interventions from the City of Cape Town.

The CTFC partnered with BOKEH and facilitated the Graduate Fashion Film Category Competition and Annual Film Festival. CTFC is in the process of launching a fully functional Product Development Centre that will assist designers with small runs of their designs. The organisations are in collaboration with the I Love Sewing Project in Langa. They are in discussions with Fonty's University to provide interns that will assist the CTFC with benchmarking, ethical audit, research and report writing.

The CTFC received financial support from CoCT but funding remains their main challenge. They therefore submitted a funding proposal to USAID for financial assistance.

Craft

The **Cape Craft and Design Institute (CCDI)** leveraged R26.404 million funding for the implementation of their initiatives and to provide products and services which focused on sector engagements, catalytic projects that demonstrate the value of design as well as training and creative problem-solving workshops. The CCDI strategically re-organised their operations into two work streams namely Human Capital Development and Business Development. They were re-branded to the Craft Design Institute (CDI) due to the transition from provincial to a national organisation. The CCDI was successful in securing financial support for their Design Innovation Seed Fund Programme. The organisation implemented new projects in collaboration with Spier

Academy, Robben Island Museum, Gugu S'Thebe and the Island of Mayotte. PEEK is gaining traction with over 300 businesses and 2 000 products registered. CCDI are in collaboration with Tourvest Destination Retail in advancing the supply of handmade products into key retail stores.

CCDI launched the R33 million funding project via their subsidiary - CDI Capital which will provide SMMEs access to different financial support programmes and they hosted cluster development programmes in the Northern Cape.

CCDI was requested by the Embassy of the United States of America to submit a proposal to present the Creative Xchange within the America's Corner event programme.

Metals, Engineering and Related Industries

The WCTI leveraged R3.729 million mainly from the National Tooling Initiative Programme (Pty) Ltd for the WC Tooling Centre of Excellence's benchmarking and business intervention projects. The Centre of Excellence has been expanded to make provision for the trade test facilities and space to host networking sessions and award ceremonies.

The WCTI successfully completed the following in the 2017/18 financial year:

- More than 300 companies were assisted with proactive business interventions through benchmarking, networking sessions, profiling and other enterprise development interventions in companies as well as the mentoring of a number of businesses. Matchmaking initiatives for export potential and localisation opportunities were presented at networking sessions with the focus on companies in Africa.
- Forty-five people participated in a Productivity Awareness Training programme.
- All the TDM Powered Programme Jobs Fund students completed their training and were placed successfully in employment opportunities. Seven out of the ten students that participated in the Recovery Project completed the programme and the credentials of the other three students are in the process of being audited. The last 17 students that were part of the National Skills Fund Project, completed the programme.

The WCTI will be absorbed with the new national body that was established and will operate as the Production Technologies Association of South Africa (PTSA).

Performance indicator (Output)	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations	
				Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Trade and Investment Promotion								
1.1	Number of investments projects realised.	7	10	12	13	12	1	The outstanding project was not realized within the anticipated timeframe as further engagement is required. However, the Agency exceeded the targets in rand value of investments which has a more direct economic impact than the number of investments.
1.2	Number of business agreements signed (including distributors and funders).	-	-	41	20	53	33	Projects were realized sooner than anticipated due to the acceleration of facilitation services.
Sub-programme: Sector Development								
1.1	Number of Khulisa initiatives supported.	-	-	2	2	2	-	-
1.2	Number of sector bodies supported.	-	-	9	9	9	-	-

Strategy to overcome areas of under performance

Not Applicable

Changes to planned targets

Not applicable

Linking performance with budgets

During the 2017/18 financial year, an amount of R51.430 million was appropriated to the programme. The compensation of employees accounted for R9.066 million whilst goods and services accounted for R2.649 million. Transfers and subsidies represented the bulk of the programmes appropriation (R39.695 million) as this consisted of the allocation to Wesgro for the implementation of trade and investment promotion activities within the Western Cape as well as allocations to Sector Development Agencies (SDA) within the Western Cape.

Sub-programme expenditure

Sub- programme Name	2017/18			2016/17		
	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	33 920	34 020	(100)	28 417	28 417	-
Sector Development	17 510	15 522	1 988	28 236	27 174	1 062
Management: Trade and Sector Development	-	-	-	-	-	-
Total	51 430	49 542	1 888	56 653	55 591	1 062

4.4 PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Purpose

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

Programme structure

The Programme is structured as follows:

- Sub-programme 4.1: Consumer Protection

Service delivery objectives and indicators

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

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

The Programme also performs a support role as far as the evaluation of appeals submitted in terms of the Businesses Act, 1993 is concerned. In this regard the Programme develops a Departmental recommendation on the merits of any appeal that is submitted to the provincial minister for consideration. This is however a function that is largely dependent on whether or not appeals are submitted for consideration. In recent years it has been noted that a limited amount of appeals have been lodged by prospective businesses. The reasons therefore are many and could include the fact that a limited amount of applications are refused by municipalities or due to an applicant's decision not to proceed with an appeal due to the limited chances of success. In both instances these factors are outside the control of the Programme and as such the performance related to this target must be seen in this context.

In the year under review the programme had the target of providing recommendations on one business licence appeal that was submitted to the provincial Minister. In the year under review the Department received no appeals from businesses regarding an unsuccessful application.

Consumer Redress Services

The area of consumer protection is one which in terms of strategic objectives, aligns acutely with the development of a customer-centric public service which is aimed at creating an empowered citizenry. As such, many of the Programme's projects are aligned with the provincial and national outcomes which are aimed at the development of a public service which is focussed on protection of the consumer rights of citizens. As such, the Programme identifies closely with National Outcome 12 and the Provincial Strategic Goals, which are aimed at the creation of an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship. It is therefore clear that the work of the programme is customer-focussed, since there is a direct interface with the citizens of the province and direct services are provided on consumer protection and consumer education issues. The results of the work done during the year under review has shown that various successes have been achieved by the programme and that considerable strides were made in ensuring that a customer-centric

service is provided throughout the province on consumer protection and consumer education matters. The Programme has through its various initiatives, continued to demonstrate that it provides a level of service which is comparable to, if not more efficient than, other similar initiatives across other provinces. This is witnessed by both its complaints management service offerings and the variety of consumer education initiatives conducted across the province.

In an attempt to monitor and record the impact of the resolutions facilitated by the OCP, a specific outcome indicator was included in the APP as of the 2011/12 financial year. The indicator has continued within the financial year under review. This performance indicator relates to the financial saving that accrues to a consumer due to the OCP's inquiry and/or investigation into a disputed consumer complaint. The criteria used to determine the financial saving was one endorsed by the National Consumer Commission (NCC) and subsequently adopted by all provincial consumer protection authorities. In terms of this specific outcome indicator, the intervention by the OCP in complaints lodged at its office has directly saved the affected consumers a total of **R1 765 223.73**. The recorded saving was however less than what was predicted in the Annual Performance Plan of the programme. The primary reason for this deviation relates to the fact that the Programme has, during the year under review, operated at 50% staff capacity within the complaints unit. During the previous financial year the complaints unit had six staff members responsible for inquiring into complaints. During the financial year under review only three staff members were within the unit. This reduction in capacity required the Programme to implement an alternative strategy to manage the complaints that were received. As such, specific complaints were referred to other entities who had the requisite jurisdiction to resolve the particular matter. This resulted in the "saving" that was attained now being claimed by the party to whom the matter was referred.

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

Consumer Education and Awareness

The comments made above with regards to the programme's alignment with national outcome 12 and the provincial strategic objectives aimed at customer service excellence, must be noted here, since they are also applicable to the area of consumer education. The year under review has seen the OCP's consumer education and awareness unit continuing its good work, its work with communities, business, NPO's, faith-based organisations, government Departments and other interested stakeholders. The primary mandate of the consumer education unit is to provide stakeholders with information/guidance on consumer matters and also to enhance the level of awareness amongst the aforementioned groups about various important consumer matters. This includes the role and function of the OCP, the content of the Consumer Protection Act and basic financial literacy. In line with this mandate, the OCP has conducted numerous awareness/information campaigns and workshops with targeted groups and stakeholders across the province. The results of these engagements have been positive especially since the output and outcome targets as set by the OCP have been achieved. It is furthermore evident that the various strategic partnerships that were forged over the past few years have now started to bear fruit, especially within the consumer awareness category. One of the mechanisms that have contributed towards the success of the units campaigns is the various engagements with the print media and radio (especially community radio) sector. The vast majority of these engagements with this sector have been on the basis of both parties acknowledging the need to provide citizens with access to information which would strengthen their ability to protect themselves in transactions with business. The effectiveness of this and other awareness projects, has confirmed that the OCP will need to continue to enhance and refine the various awareness campaigns across the province.

A key focus of the OCP's approach in performing its mandate, especially in light of the tremendous increase in interest from citizens on the issue of consumer protection, was to develop and maintain key partnerships with strategic partners. The rationale was that an effective and strong working relationship with other key stakeholders would only serve to enhance the service offerings of the OCP. This became particularly important during this financial year which saw a reduced fiscus and human resource component being made available to Programme 4. In addition, various strategic partners would be able to participate in consumer education campaigns hosted by the OCP and thereby enhance the areas of focus presented to attendees. The year under

review has therefore seen the OCP continuing its work in establishing effective working relationships and partnerships with a wide spectrum of role-players within the consumer protection arena. The partnerships developed included statutory bodies responsible for consumer protection as well as non-government organisations.

One of the key areas of focus during the 2017/18 financial year has been the topic of basic financial literacy and the importance thereof for ordinary citizens. The economic challenges faced by ordinary citizens during the past financial year were many and unfortunately, this has led to a spike in consumers not adhering to financial commitments with credit providers. As such there was a need to provide support to citizens as far as knowing what to do when faced with the challenges of not servicing debt. The Programme therefore embarked on a specific consumer education initiative which utilised industrial theatre as a medium through which the issue of debt management was addressed. The project was done province wide and included presentations done at schools, shopping malls, SASSA pay points, taxi/bus terminus. The project was immensely successful since attendees received the message of basic financial literacy in a fun way but which at the same time resonated with the audience. The programme has subsequently received requests from stakeholders for the continued roll out of this method of engagement and communication with citizens. The Programme will possibly be embarking on a similar project in the 2018/19 financial year.

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

Outcome indicator	Baseline (Actual outcome) 2016/17	Actual performance against target			Comment on deviations	
		Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Consumer Protection						
1.1	Number of strategic consumer NGO and other relevant partnerships established.	30	30	30	-	-
1.2	Monetary value saving to consumers.	R1.5 million	R4 million	R1.7 million	R2.3 million	The reduction in staff numbers within the Complaints Management unit of the OCP has directly resulted in the inability to attain the target. As an approach to address the challenge of less staff, the Programme had to refer more complaints to other entities.

Performance indicators and targets

Consumer redress

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

1. The projection of case numbers is an extremely challenging task since a variety of factors which are outside the control of the Programme can and does have a direct bearing on the achievement of the target.
2. The complaints unit has during the 2017/18 financial year operated on a reduced human resource capacity. This has had a direct impact on the ability of the unit to implement the same complaints management strategy that applied during the previous financial year. In terms of staff numbers, the unit only had three officials within the complaints unit compared to the six of the previous year. This limited human resource capacity therefore required an alternative complaints management approach to be adopted and as a result, the referral of matters to other entities was implemented. This referral process enabled consumers to obtain assistance from other entities who also had the authority to deal with their complaints. The practical implication of this strategy was that the Programme received less matters for finalisation.
3. The National Minister of Trade and Industry has in accordance with the provisions of the Consumer Protection Act, 2008 accredited a number of alternative dispute resolution agencies as approved entities through which consumers can lodge complaints for resolution. The accreditation provision in the Consumer Protection Act was specifically instituted in the legislation so as to allow for a tiered system of complaints redress for consumers. The intention was to ensure that various industries implemented as a first stage of assistance for consumers, an industry self-regulation mechanism. However, the exact impact on case numbers received was an issue that could not be accurately determined, since it depends on numerous factors all outside of the control of the Programme. As such, the adjusted figure was a prediction not based on any scientific calculation. As can be seen, the prediction of case numbers within this area remains a very challenging exercise and unfortunately the predicted numbers were not in line with the actual numbers received. The Programme has however revised this specific indicator for the 2018/19 financial year so as to avert the challenges associated with case number predictions. The revised indicator is one which will be implemented amongst the majority of provincial offices performing consumer protection services.

Consumer education

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

Performance indicator (Output)	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations	
				Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Consumer Protection								
1.1	Number of consumer education programmes conducted.	274	235	173	130	142	12	The Programme received ad hoc requests for consumer education interventions. From a service delivery perspective, these interventions had to be conducted.
1.2	Number of complaints received.	8 991	6 595	6 961	7 000	4 708	(2 292)	The prediction of case numbers is a challenge since they depend on factors outside of the Programme's control.
1.3	Number of complaints resolved.	8 872	6 619	3 500	6 500	4 735	(1 765)	The prediction of case numbers is a challenge since they depend on factors outside of the Programme's control.
1.4	Number of consumer education booklets and/or information material distributed to citizens and business.	4	19 357	1 765	2 000	3 810	1 810	During the financial year the OCP was requested by a variety of stakeholders to assist with the distribution of information material of the relevant stakeholder. This was particularly from national stakeholders who have a limited footprint within the province. This contributed towards the over-achievement.

Performance indicator (Output)		Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations
					Target 2017/18	Actual 2017/18		
Sub-programme: Consumer Protection (continued)								
1.5	Number of financial literacy workshops conducted.	118	69	37	50	57	7	The relevance of basic financial literacy within communities has resulted in ad hoc requests from stakeholders. From a service delivery perspective, these interventions had to be conducted.
1.6	Number of SMME engagements conducted.	-	25	17	15	19	4	Ad hoc requests from stakeholders has resulted in additional interventions. From a service delivery perspective, these interventions had to be conducted.
1.7	Number of business licence appeal recommendations provided.	-	-	0	1	0	(1)	The receipt of appeals is outside the control of the Programme. No appeals were received.

Strategy to overcome areas of under-performance

Consumer redress (complaints received and resolved)

The challenges with regards to the prediction of case numbers is a matter that received attention amongst all provincial consumer protection offices. As a result, the indicator regarding cases received and resolved was amended for the 2018/19 financial year. The indicator will now focus on the percentage of cases that were attended to.

Business Licence Appeals

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

Changes to planned targets

Not Applicable

Linking performance with budgets

During the 2017/18 financial year, an amount of R11.069 million was appropriated to Programme 4. The Programme's Compensation of Employees amounted to R8.119 million, Goods and Services R2.938 million, R7 000 on transfers and R5 000 on capital payments. A portion of the goods and services allocation was provided to resource the consumer call centre function that is managed by an external agency on behalf of the Western Cape Government.

Sub-programme expenditure

Sub- programme Name	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Consumer Protection	11 069	10 600	469	10 911	10 479	432
Liquor Regulation	-	-	-	-	-	-
Total	11 069	10 600	469	10 911	10 479	432

4.5 PROGRAMME 5: ECONOMIC PLANNING

Purpose

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

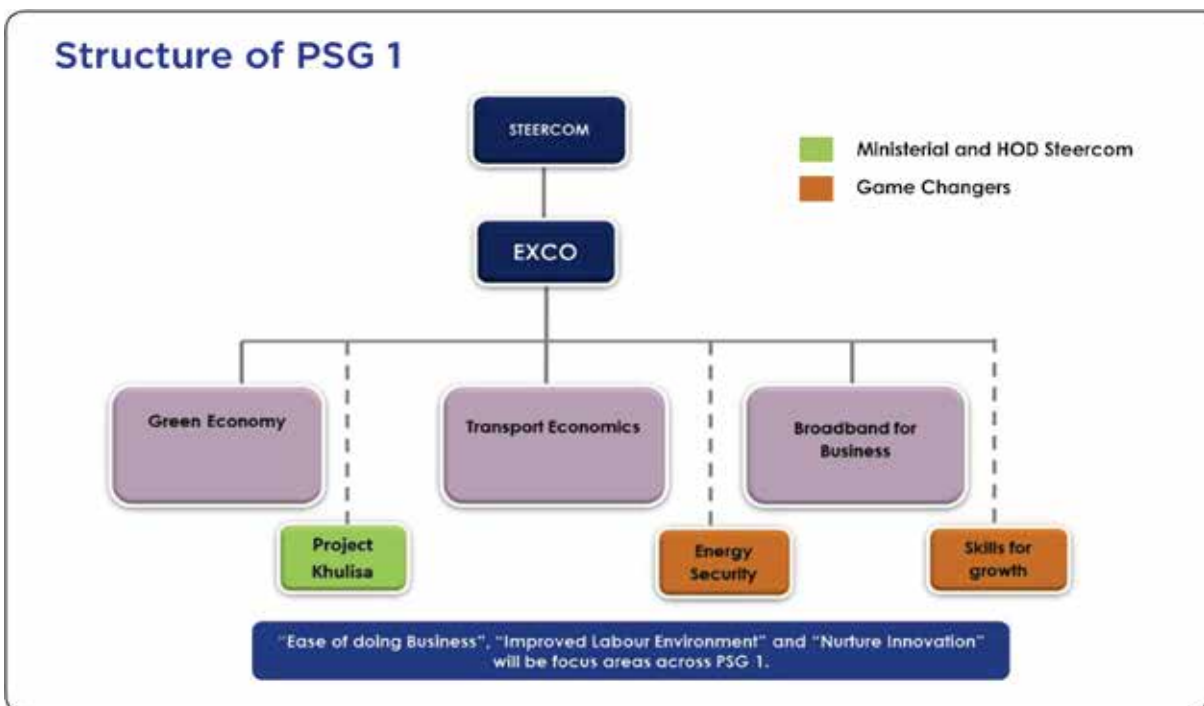
Programme structure

The Programme is structured as follows:

- Sub-programme 5.1: Economic Policy and Planning
- Sub-programme 5.2: Research and Development
- Sub-programme 5.3: Knowledge Management
- Sub-programme 5.4: Monitoring and Evaluation
- Sub-programme 5.6: Enabling Growth Infrastructure and Initiatives
- Sub-programme 5.7: Broadband for the Economy
- Sub-programme 5.8: Green Economy

Service delivery objectives and indicators

The PSG 1 and five year strategy sets stretched targets across all key areas described in PSG 1. While this Department takes overall accountability for the delivery of PSG 1, these stretched targets can only be achieved with the support of other key Departments such as the Department of Agriculture, the Department of Environmental Affairs and Development Planning and the Department of Transport and Public Works. These Departments lead, by the Department of Economic Development and Tourism constitute the core of the PSG 1 executive committee, which is tasked to deliver on the stretched targets in a challenging economic environment.



The Programme developed and reviewed key policies and strategies of the Department, the Province and the City in the light of the Department's objectives and in alignment with PSG 1.

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

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

Economic policy and strategy development and implementation require inter-government, societal and business co-operation. In expressing the objectives of PSG 1, the plethora of stakeholders often experience competing objectives and diverse approaches in achieving similar objectives. In order to address challenges that might arise across multiple stakeholders which result in obstacles to achieving the objectives of PSG 1, the WCEDP facilitated strategic partnerships amongst all stakeholders, enabling them to work together to achieve their goals.

In 2017/18 Economic Policy and Planning provided inputs into strategic frameworks on two important themes for the economy. Firstly, given the slowdown in economic activity, developing an innovative edge becomes particularly meaningful. To this end, inputs and reviews were provided on the Innovation Framework. Secondly, economies have to prepare to be responsive and resilient to the fourth industrial revolution. Due to the importance of this theme, inputs and reviews were provided to the Digital Opportunities Implementation Framework.

In order to assist the Department to achieve its objective of creating an enabling environment for economic growth and job creation, Research and Development provided economic intelligence in order to understand an economic landscape that is constantly changing and influenced by both exogenous and endogenous economic developments. Key economic trends (viz. labour market, GDP, inflation) were tracked.

The 2017/18 financial year was a very successful year for investments in the Green Economy space, with just over R1.2 billion worth of investments and 172 jobs facilitated.

Outcome indicator	Baseline (Actual outcome) 2016/17	Actual performance against target			Comment on deviations	
		Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Economic Policy and Planning						
1.1	Number of economic strategies or policies signed off.	2	2	2	-	-
Sub-programme: Research and Development						
1.1	Develop an economic research agenda.	1	An implemented research agenda: 1	An implemented research agenda: 1	-	-
Sub-programme: Knowledge Management						
1.1	Number of partnerships tested by PIA.	5	5	5	-	-
Sub-programme: Enabling Growth Infrastructure and Initiatives						
1.1	Value of investment.	-	R130 000 000	R605 383 000	R475 383 000	Reporting on the capital expenditure was delayed until security of tenor over the TPNA land was obtained. The expenditure created assets on two portions of land, one portion was purchased and therefore secured the asset amount. Similarly, security of tenor was obtained over the port land by the signing of the long outstanding Transnet lease.
Sub-programme: Broadband for the Economy						
1.1	Value of investment.	R3.697 million	-	-	-	-

Outcome indicator	Baseline (Actual outcome) 2016/17	Actual performance against target			Comment on deviations	
		Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Green Economy						
1.1	Value of investment.	R2 802 million	R550 000 000	R1 255 500 000	R705 500 000	The target has been significantly exceeded because a number of investments that have been in the pipeline for a long period were realized in the 2017/18 financial year because of regulatory and policy progress. An example would be Emergent Energy, whose waste to energy project experienced long delays and significant regulatory hurdles before the project could be finalized. The eventual investment decision happened sooner than what had been anticipated in the industry.

Sub-programme 5.1: Economic Policy and Planning

In order to assist the Department to achieve its objective, of creating an enabling environment for economic growth and job creation, Research and Development along with Economic Policy and Planning provide the inputs to inform evidence-based, decision-making and the development of Policy and Strategy, which supports the Department's economic leadership role.

Economic Policy and Planning provided inputs into the Innovation Strategic Framework as well as the Digital Opportunities Implementation Framework. These inputs and reviews for the development of strategic frameworks are the first ones to be initiated as part of the process of developing the Department's new Five-year Strategic Plan.

Sub-programme 5.2: Research and Development

The Research and Development unit in 2017/18 continued to strengthen its focus of providing research support, dissemination of economic intelligence and developing credible provincial economic data to the Department.

Research and Development produced a number of research reports that were communicated through the publication of the Quarterly Economic Bulletin (QEB). Also, in the spirit of collaboration, DEDAT and Provincial Treasury published the PERO 2017 and MERO 2017 infographic publications. Through the QEB and inter- and intra- provincial economic research forums, the unit was able to communicate and engage on a number of key topical economic developments and present stimulating views and insights. The QEB provided an update on key economic developments at a global, national and provincial level; furnished key updates on macro-economic indicators and also provided topical research that could stimulate economic dialogue and inform the economic landscape. By tracking a number of key economic indicators, the unit provided the context to understand an economic landscape that is constantly changing and influenced by both exogenous and endogenous economic developments.

The Unit continued to play its important supportive role. The Unit, together with the Economic Policy and Planning Unit, supported the development of the Innovation Strategic Framework as well as the Digital Opportunities Implementation Framework. These were the first frameworks to be developed as the Unit launches the process of developing the new Five year Strategic Plan for the Department. The Unit also supported the work of the Green Economy by looking at the impact of the water crisis on the Western Cape economy. This was pioneering work as the methodology was developed as the crisis was developing. It drew on the expertise and inputs of a range of stakeholders from the City of Cape Town, Green Cape, Department of Agriculture and private sector firms. Furthermore, the Unit supported the work of Economic Sector Support by developing the systems for tracking Khulisa data, which matured for Tourism and expanded for Oil and Gas. In the case of the Halal sector, market intelligence was provided.

In 2017/18, ERCF engagements were continued and collaboration and synergising efforts were re-enforced by the continuation of a data subscription sub-working group with the aim of eliminating duplication, overlap and identifying cost-sharing opportunities.

Sub-programme 5.3: Knowledge Management

Western Cape Economic Development Partnership (WCEDP)

The WCEDP aims, as a non-profit company, to "improve the performance of the Cape Town and Western Cape economic development system, by creating and sustaining partnerships between economic stakeholders, in support of the goal of creating a resilient, inclusive and competitive region, thus contributing to South Africa's national economic success." - WCEDP Founding Goals and Objectives.

Based on structured feedback, certain areas of the WCEDP's work have had a recognised impact amongst stakeholders. These include the development of area-based and issue-based partnering solutions that address specific problems and the generation and sharing of knowledge on partnering and partnering solutions.

- Issue-based partnering solutions involve implementing the WCG Provincial Strategic Plan (PSP) by testing partnering solutions through specific projects and through intervening in complex systems, such as water, community safety and economic sectors and value chains, for example.
- Area-based partnering solutions involve intervening in space at different scales, with a particular focus on working with municipalities around precinct-level planning, implementation and management.
- Knowledge generation and knowledge-sharing involve amplifying and sustaining impact through knowledge-sharing and learning programmes and transdisciplinary research.

In 2017/18, some of the primary initiatives of the WCEDP included:

The establishment and management of regional economic forums, such as:

- The South Cape Economic Partnership.

This partnership produced a number of concrete deliverables, the most notable of which were the development of multi-stakeholder working groups for each workstream identified in the Department of Environmental Affairs and Development Planning (DEA and DP) Regional Socio-Economic Programme (RSEP) for the region and the facilitation of a regional investment programme and conference that included international representation.

Support to a broad range of municipal engagements, e.g.

- Providing partnering support for the Saldanha Bay Municipality through the Whole-of-Society Approach to integrated service delivery of the Western Cape Government.
- Providing additional specific support for integrated municipal service delivery in other municipal areas.

Issue-specific partnering solution initiatives, e.g.

- Developing partnering solutions for water security, including responses aimed at drought resilience, water security and water catchment management (as evolved from the previous years' work on the Berg River and Breede River Improvement Plans).

Partnering solutions with the City of Cape Town:

- Assisting the City of Cape Town (internally), ACSA and other stakeholders (externally), with the establishment of a Metro Central Partnership.
- Developing partnering solutions for integrated communities in Woodstock/Salt River.

At a Provincial level, testing the implementation of the WCG PSP Partnering Methodology through multiple pilot projects.

- Implementing the WCG Provincial Strategic Plan (PSP) by providing partnering solutions for a broad range of partnering challenges. This includes providing for Working Group 4 (focused on Integrated Management of the Provincial Strategic Plan) of Provincial Strategic Goal 5 (which focuses on embedding good governance and integrated service delivery).

Sub-programme 5.6: Enabling Growth Infrastructure and Initiatives

Cape Catalyst Enabler

With the main focus of the sub-programme: Enabling Growth and Infrastructure Initiatives being on project development and support to infrastructure-orientated or catalytic interventions within the economy, the Unit provided support to four infrastructure-related projects, exceeding its target by one.

Saldanha Bay IDZ

The Saldanha Bay Industrial Development Zone (SBIDZ) reported that it continued its infrastructure roll out in the 2017/18 financial year. This included the completion of additional external infrastructure (Water Reservoir and Link Bridge) and the initiation of the bulk internal works on the second phase (port land) development. This roll out had been done in close coordination with the port development efforts of the Transnet National Ports Authority (TNPA), who are in the process of appointing an operator for the Offshore Service and Supply Base (OSSB). The contractor for the construction of a new access complex and IDZ Service Centre is also being finalised. Collectively, these infrastructure investments will create the Oil and Gas and Marine Repair Complex envisaged by the SBIDZ.

The development of the IDZ also continues to catalyse further industrialisation in the region. The West Coast Industrial Plan's research phase has been completed and the implementation phase is contributing to the integration of infrastructure provision and overall planning efforts by all three spheres of Government. These efforts have now expanded to the socio-economic efforts of all WCG Departments through the Whole of Society Approach (WoSA) under PSG 3. The coordination with the Saldanha Bay Municipality was initially centred around the completion of its new Five-year Integrated Development Plan (IDP) and has now expanded to the integration of all governmental efforts in the municipal area.

Cape Health Technology Park

Seeking to stimulate a health technology industry through the provision of enabling infrastructure and scales of agglomeration, the Cape Health Technology Park is a WESGRO project that is supported by Department of Science and Technology (DST), DEDAT and the City of Cape Town. In the 2017/18 financial year, the feasibility study was concluded and two potential investors identified and engaged. The research has shown that the project is feasible and property has been identified for the establishment of the CHTP HQ. The Technology Innovation Agency (TIA) is the key driver and supporter of Health and Biotech Innovation in the Western Cape and has committed to the project, with a formal MOA being concluded in 2018/19 between Wesgro and TIA.

The project team continued to support the Western Cape Medical Devices cluster; as well as initiating the broader business development programme with the Health Tech sub-industries of Pharmaceuticals and Biotech. The focus for the 2018/19 financial year is finalising the finance and funding for the project, securing property and continuing to roll out the business and skills development programmes for the Biotech sector.

Cape Town International Convention Centre

Aimed at broadening the capacity footprint of the Cape Town International Convention Centre (CTICC), the CTICC East expansion was launched in January 2018. The venue offers 31 148 m² floor area in total; 10 000 m² of additional conference and exhibition space; 3 000 m² of additional meeting space, composed of four meeting suites and five meeting pod rooms; three additional kitchens; one additional terrace room; and a further in-house coffee shop – “Coffee on the Circle”. By the time of the launch, the CTICC had already successfully hosted four events attracting close to 50 000 visitors and have a pipeline of 20 events for this space in the near future.

Atlantis Green Technology Special Economic Zone (SEZ)

With the objective of facilitating the growth of green and clean tech industries, the application for designation of the Atlantis Green Technology SEZ was submitted to the Department of Trade and Industry (DTI) in February 2016 after the promulgation of the SEZ Act and Regulations.

Following an intensive review and assessment process in 2016/17 into 2017/18, the DTI's SEZ Advisory Board and technical committee has made positive recommendation to the Minister of Trade and Industry to designate the ASEZ as a Special Economic Zone. In 2017/18 the public participation process concluded. National Cabinet approval and designation, the final two steps in the process, is due in 2018/19. A governance structure for the project has been put in place and preparations have begun to accept designation and once announced by the DTI, the project will be implemented formally.

Design and Innovation Enabler

The overall thrust of the design enabler seeks to support the design eco-system as well as to develop and implement collaborative projects that galvanise and showcase the positive effects of design and innovation in the region, with the aim of improving service delivery and stimulating demand for locally designed and manufactured/produced products and services. DEDAT continues to play a coordinating function in bringing together various WCG Departments together to collaborate and share information around innovation, which in turn, will also strengthen the eco-system and improve the WCG's ability to innovate for the wicked challenges that face our region. To this end, a framework has been drafted with suitable inter-Departmental initiatives that will be implemented from 2018/19 onwards.

In the 2017/18 financial year, two key projects were supported to realise the objective of using design and innovation as a key competitive advantage for the Western Cape.

The Better Living Challenge (BLC)

The Craft and Design Institute's Better Living Challenge projects rely on the collaboration between City of Cape Town, DEDAT, the Department of Human Settlements (DoHS), private sector, designers and innovators to address the challenges in living conditions for lower-income groups through innovative solutions. The Better Living Challenge 2 specifically seeks to surface design innovations (opportunities, ideas and designs) that:

- Support the incremental improvement or expansion of low income homes;
- Provide better quality and alternative building materials;
- Increase the comfort and quality of life of residents; and
- Enable a more densified urban form.

In 2017/18, CDI reported that the BLC 2 completed the research-and-explore phase through which the following interventions were identified for potential implementation or piloting in 2018/19:

- Expand low-income home-owners' capacity to upgrade homes through DIY (information sharing and capacity building);
- Enable informal contractors to expand their income potential by including them in an incubation process to improve their design and business skills;
- Understand and assist systems in the second-hand construction material value chain to better understand where intervention is required that can improve materials; and
- Improve access to finance making it more affordable for home owners to build and upgrade their homes.

Innovation through gamification and digital content stimulation

This is a collaborative project between the Digital Economy and Innovation/Cape Catalyst unit to develop a digital game which aims to both stimulate businesses and citizens to incorporate innovative practices into their business and professional activities but also aims to support the local digital content creation sector in new opportunities, especially those offered by serious gaming.

The project followed a two-year multi-level competition approach whilst providing master-classes programme for the local games development industry. Competition round one in 2016/17 saw 16 complete entries, of which four went through to the prototyping round with the winner, Vukazenzele, announced in March 2017. The Vukazenzele Game was developed through collaboration between a human settlements support/implementation NPO called Ikhayalami and a digital gaming company, Renderheads. The game successfully seeks to provide reblocking facilitators with a fun and interactive tool that enables communities to be directly involved in the reblocking of their spaces. The game is being piloted in Khayaletsha and in-principle commitment has been received that reblocking will be financed should the results prove suitable. The game provides WCG with socio-economic data on citizens that use it which can assist WCG in defining suitable interventions to support a community that is being reblocked beyond Human Settlements needs (e.g. skills development).

Sub-programme 5.7: Broadband for the Economy

Broadband for the Economy Enabler

The Broadband for the Economy initiative is responsible for the socio-economic objectives of the Western Cape Broadband Strategic Framework. As per the Strategic Framework, the set of projects undertaken by the Broadband for the Economy Unit seeks to improve the broadband access, digital skills and digital usage of citizens and businesses within the Province. Consequently, the Broadband for the Economy initiative supported nine projects over the course of the 2017/18 financial year.

Public Access Wi-Fi

During 2017/18, a decision was taken by the Provincial Cabinet, to shift the implementation from DEDAT to the Centre for e-Innovation, at the Department of the Premier, as the WCG had taken the decision to significantly expand the roll out of public access Wi-Fi across the province. This decision was taken after a protracted process to develop an integrated broadband model between the two Departments and resulted in the halting of any further roll out of the existing public hotspot project led by DEDAT. By implication, DEDAT therefore did not complete the final phase of the existing public access Wi-Fi project during 2017/18 but continued to manage the operational oversight of the existing 178 hotspots. Nonetheless, Liquid Telecom reported that the total accumulated number of citizen users over the duration of the project to date amounted to **1 627 932**, with a monthly average of **103 085** users. In addition, they reported that an average amount of **24 519** new users were added to the network per month. The average total data used per month amounted to 8008 gb illustrating the demand and uptake of the service by citizens. Alongside the public Wi-Fi roll-out, was the **Citizen Internet Champions** project aimed at providing mobile digital literacy training to citizens. Although the project was only activated at 35 hotspots sites during 2017-18 reaching **61 870** citizens, the accumulative total number of citizens reached over just two years through this initiative was **410 351** which is significantly more than originally intended.

ICAN

The I-CAN in Elsie's River, which the Department supports, reported good progress. A multi-level and multi-category skills programme was delivered incorporating free/introductory; DEDAT-supported; low-cost and user-paid training modules which are delivered through a combination of the I-CAN centre NGO and various service providers and collaborators.

A total of 154 DEDAT funded courses completions were achieved and in addition, 217 citizen-paid-for courses undertaken. This demonstrates an appetite and willingness for citizens to learn and have self-agency. Furthermore, the Centre claimed that 582 citizens participated in workshops through the centre and **440** citizens completed free short courses offered by the I-CAN Centre Elsie's River NGO.

Digital Skills and Operating system

In addition, the Department has been developing the model for more ubiquitous digital skills delivery, which will take place during the 2018/19 financial year. A large component of the work aligned to this effort has been the development of an operational management system, to track users and sites, as well as the delivery partner-model, which will start at libraries and youth café's in 2018.

Digital Business Toolkit

The Digital Business Toolkit is aimed at assisting entrepreneurs and small businesses with resources and tools which will assist in improving digital adoption within their businesses in order to improve their competitiveness, using a digital platform. During 2017, the development of the digital platform commenced, as well as important modular components, such as a business self-assessment tool and a database warehousing capability. In parallel, engagements with various SMME support organisations and providers took place to ensure that the tool is able to adequately support SMME requirements. 2018/19 will kick-off with a stakeholder activation process across the Western Cape and a key focus will be to embed a long-term sustainability model, which will be solidified through a strategic partnership drive spanning technology companies, corporates and national agencies. It is expected that the platform will be live and available to the Western Cape businesses in the latter half of the 2018/19 financial year.

Khayelitsha Bandwidth Barn

The Khayelitsha Barn, is a community-based tech business incubator owned by CITI and which is financially supported by DEDAT. The K-Barn programmes encompass a combination of ICT and business-focussed programmes, with developmental and digital literacy programmes, in order to be responsive to the needs of the surrounding communities.

Dash-Tech

Digital technology is a key lever to assist in bringing greater efficiency and opportunities across all sectors in the economy. As part of the Digital Opportunities Implementation Framework, the Department seeks to assist the economy to be responsive in this fast-paced changing technological climate. One of the focus areas is Dash-Tech. (The 'Dash' in Dash-Tech, is a proxy for any sector in the economy). The Dash-Tech project seeks to grow selected priority Western Cape sectors through the development and integration of new technology in order to remain competitive in a global economy. As a start, DEDAT has focussed on Ed-Tech and Safety-tech as two areas which have both economic value and are strategically relevant to the WCG. During 2017/18, the Department supported the Western Cape Education Department, through a design-led thinking process to identify key challenging areas for which digital technologies may be useful to support. These challenges will be used to stimulate the EdTech sector to develop locally relevant content as solutions during the 2018/19 financial year. Towards the end of the financial year, the Department of Community Safety had similarly agreed to undertake a challenge methodology process with DEDAT and this area of focus will take place during 2018/19.

In addition, DEDAT has contributed operational funding towards the first EdTech business incubator in Africa, known as Injini. The **Injini** incubator, supports eight EdTech start-up businesses every six months, with the first intake commencing in October 2017.

I-CAN Play

I-CAN Play aims to establish commercially driven (pay-for-play) digital gaming sites in disadvantaged communities. I-CAN Play uses entrepreneurial models to support the provision of alternative recreational opportunities in communities and to improve digital competencies of citizens through digital gaming. During 2017, the Department secured two strategic partnerships in the delivery of the project with VS Gaming, the leading digital gaming and e-sports company in South Africa as well as Lenovo, who sponsored approximately R500 000 worth of special gaming computers to the Department. The project is DEDAT's initiative in support of the Alcohol Harms Reduction Game-changer. The first pilot site, at the Khayelitsha Bandwidth Barn, opened its doors to the public in January 2018 with a second site to be opened in the Gunya or Harare areas in 2018. Following a full year pilot, the Department will evaluate the efficacy of the initiative and based on its evaluation, may further expand the model.

Sub-programme 5.8: Green Economy

Green Economy enabler

With the aim of realising the Western Cape Green Economy Strategy Framework's vision of being a leading green economic hub and the lead in low carbon economic growth, the Green Economy sub-programme supported six projects over the 2017/18 financial year.

Energy Security Game Changer

The Energy Security Game Changer was established as a joint effort by the Western Cape Government, the City of Cape Town and the five largest non-metro municipalities (Stellenbosch, George, Drakenstein, Saldanha Bay and Mossel Bay). The Game Changer focuses on five main areas, namely: Enhanced uptake of small-scale embedded generation, more specifically solar PV, reduced electricity consumption in public and private buildings, the diversification of energy supply and smart grids/load management.

Smart Grids

Significant progress was made in the 2017/18 financial year to enable the small-scale power generation market, with a focus on creating a supporting environment for rooftop solar photo-voltaic (PV) installations. While the Energy Security Game Changer drove extensive engagements and awareness raising to promote the uptake of solar PV, GreenCape reported that feed-in tariffs for Western Cape municipalities have now been finalised for 13 out of the 21 Municipalities that have the legal framework in place to support the enabling environment for the installation of rooftop solar PV.

These combined efforts have resulted in an increased uptake of rooftop PV, amounting to approximately 60MWp of capacity estimated as installed by the end March 2018.

Liquefied Natural Gas (LNG)

WCG work towards realising the gas agenda is included as part of the Energy Security Game Changer and the Energy unit's work. Over the past year, the focus has been on continued development of the LNG opportunity on the West Coast. A feasibility study funded by the USDA (US\$800 000) was initiated, as were studies into transport fuels and the energy needs of proposed bulk water supply projects.

Waste Economy

The green economy unit engaged in various waste economy platforms to build stakeholder relations and alignment for prioritising waste economy themes for the Western Cape. The green economy team was part of the National Chemical and Waste Economy Phakisa. The aim of the roughly month-long process was to identify projects across various waste economy themes to be implemented over the long term across South Africa in each of the nine provinces. The next financial year will focus more on stakeholder building across the government Departments and entities and improved co-ordination of waste economy communication to more effectively grow the waste economy. Further focus areas will be on stimulating the local manufacture of recycled and waste economy-related products and the informal economy.

Economic Water Security Workstream

In 2017, the drought in the Western Cape developed into a water crisis, with water security becoming a significant concern for businesses across all economic sectors. To address the needs of businesses, DEDAT led the development of an Economic Water Security Workstream (under the Provincial Disaster Management Centre), that was partnered with the Department of Environmental Affairs and Development Planning, the Department of Agriculture, GreenCape, the City of Cape Town, Wesgro, the Economic Development Partnership and the National Business Initiative. The workstream's goals were to address immediate water crisis needs and strengthen long term water resilience, and this was facilitated through a focus on four key objectives, namely: Reduce businesses' water consumption; increase businesses' own water supply augmentation; prepare businesses for day zero; and build the water sector of the Province. Through the workstream, information sharing (See: <https://www.westerncape.gov.za/110green/water>), awareness raising and engagements; along with strategic and technical support around technology, cost and risk assessments, market trends, business continuity planning etc. was likely provided to thousands of businesses in the Western Cape. A survey of business water saving and water crisis impacts was conducted at the end of the financial year, with 90% of respondents indicating that they had implemented water savings actions of some form and 62% of respondents having water savings targets in place. While the focus is still on avoiding and minimising the impacts of the immediate crisis, focus is also being given to further strengthening the water sector (i.e. businesses that provide the water efficiency and augmentation technologies and services to businesses, households and municipalities) and addressing systemic issues towards building the water resilience of the Western Cape economy.

Through the support of DEDAT and the Water Research Commission, GreenCape has reported on work undertaken to better understand the water intensities and efficiencies of economic sectors towards enabling more informed development decision-making in municipalities. The aim is to elevate the consideration of water within provincial government from an environmental concern to one that enables growth and jobs. The focus of this work now moves to rolling out the tool across the rest of the Western Cape.

Green Economy Leadership and Co-ordination

The Green Economy is a highly transversal area of work, with implementation stretching across various entities and Departments. In 2017/18 the Green Economy Work Group (GEWG) focused largely on the water crisis in the Western Cape and improving green economy related communications and stakeholder engagements. The Green Economy Reference Group's (GERG) purpose and future aim was re-evaluated and will be re-structured in 2018/19.

110% Green brand building

The 110% Green platform aims to share best practice and the work of the WCG and partners in the green economy space. During 2017/18, the 110% website underwent a revitalization to be more representative of all green economy themes, with the initial focus on populating and designing the water tab due to the water crises and the potential of a Day Zero looming. The water information was specifically aimed at businesses and provided regularly updated relevant information pertaining to the water crises and to support businesses in responding to the crisis. The Department also underwent a process of merging various water supplier databases and provided this information publicly to enable more rapid access to specific water related services. The website also allows for new suppliers to load their product and contact details. Since the launch of new 110% Green website (i.e. a period of three and a half months), the website has fielded 7 805 users. The social media platforms continued to do very well, with the 110% Green Twitter followers increasing to almost 3 000 and the Facebook followers' base increasing to over 4 000. In addition, the use of the 110% Green social media platforms for the Energy Security Game Changer and the budget spend for promoted posts have resulted in an increase in followers and visits to the website. The Game Changer communication campaign, which was focused on raising general awareness, was also implemented.

These campaigns included:

- Winter Savings Campaign focused on electricity and (due to the drought) water savings tips for households.
- Western Cape Government Staff Campaign encouraging staff to save at the office and a competition to share resource efficiency tips from their homes.
- Rooftop PV for Business Campaign to raise awareness of the excellent investment case. This included a survey to test the effectiveness of the rooftop PV campaigns with the baseline finding 23% of companies surveyed being aware of the campaign and a third indicating it had influenced their decision to install PV. A follow up survey confirmed the baseline findings, with an increase visibility of the campaign of 17%.

Eco-system development and clustering

Through the support of DEDAT, City of Cape Town, Department of Agriculture and Department of Environmental Affairs and Development Planning, GreenCape reported closely working with industry and investors in a number of sectors (including the development of Market Intelligence Reports) – renewable energy, energy efficiency, waste, water, green building methods and materials and agriculture – to identify economically viable green economy business opportunities and the barriers that prevent them from being realised.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations	
				Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Economic Policy and Planning								
1.1	Number of strategies or policies reviewed and/or supported.	2	4	3	3	3	0	-
Sub-programme: Research and Development								
1.1	Number of Economic research reports developed.	10	12	16	10	10	0	-
Sub-programme: Knowledge Management								
1.1	Number of joint plans/projects between the Western Cape Economic Development Partnerships and its partners.	2	2	10	10	13	3	The over-achievement was a response to the water crisis, which was unplanned.
Sub-programme: Enabling Growth Infrastructure and Initiatives								
1.1	Number of infrastructure projects supported.	7	8	7	3	4	1	It had been anticipated that the CTICC project would be handed over to the Tourism Sector Desk in Programme 6, but this was not possible in the 2017/18 financial year, due to a lack of capacity in that Programme. This has therefore resulted in over-achieving on the infrastructure target for Catalytic Infrastructure projects supported for 2017/18.
1.2	Number of design/innovation projects supported.	-	5	4	2	2	0	-
Sub-programme: Broadband for the Economy								
1.1	Number of broadband projects supported.	-	14	9	7	9	2	At the start of the financial year, it was understood that the Public Wi-Fi project would be shifted to DotP. Unfortunately, this did not happen as timeously as anticipated and DEDAT continued to manage the project for the existing hotspot for the duration of the financial year. In addition, DEDAT also completed the Internet Champions project aligned to the existing hotspots.
Sub-programme: Green Economy								
1.1	Number of Green Economy projects supported.	-	11	10	6	6	0	-

Strategy to overcome areas of under performance

Not Applicable

Changes to planned targets

Not Applicable

Linking performance with budgets (Programme managers to complete)

During the 2017/18 financial year, an amount of R129.573 million was appropriated to the Programme of which the actual expenditure amounted to R129.350 million. This translates to actual expenditure of 99,8% of the Programme's total budget.

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

- Compensation of Employees accounted for R25.120 million or 20% of total expenditure.
- Goods and Services accounted for R31.114 million or 24.06% of total expenditure.
- Transfers and Subsidies accounted for R73.072 million or 56.49% of total expenditure.
- Payments for Capital Expenditure amounted to R34 000 of the total programmatic expenditure.

Sub-programme expenditure

Sub- programme Name	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Policy and Planning	2 405	2 360	45	3 372	3 258	114
Research and Development	9 110	9 042	68	8 953	8 882	71
Knowledge Management	10 136	10 136	-	9 654	9 654	-
Monitoring and Evaluation	-	-	-	1	-	-
Enabling Growth Infrastructure and Initiatives	56 291	56 283	8	213 527	213 383	144
Broadband for the Economy	21 472	21 414	58	41 155	39 771	1 384
Green Economy	30 159	30 115	44	21 685	21 187	498
Total	129 573	129 350	223	298 347	296 135	2 211

4.6 PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

Purpose

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

Programme structure

The Programme is structured as follows:

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

Service delivery objectives and indicators

The Western Cape Government recognises the tourism industry's potential to bring about economic growth and employment creation. As one of the major contributors to economic value and employment in the Western Cape, tourism directly contributes R17 billion in GVA and accounts for 204 000 formal jobs in the province. Under a high growth scenario (which would entail the Western Cape matching the growth of successful tourism regions elsewhere in the world), the sector's GVA contribution could increase by 65% to R28 billion in 2019 and it could add up to 100 000 formal jobs over the same period (Khulisa Final report 2014).

The tourism sector, in our view, is what is driving much of the real estate construction boom in the metro and supporting rapid real estate prices in the province. The sector has added more than 7% additional stock in the formal tourism accommodation sub-sector partly represented by the additional multiple new hotels been developed in the metro. Airbnb stock which is not counted towards additional tourism accommodation stock, recently announced that it has facilitated more than 2 million night stays in the province last year.

Tourism Performance

According to the October 2017 addition of the United Nations World Tourism Barometer (UNWTO), tourist arrivals globally grew by 7% between January and August 2017. International tourists between July and August totalled over 300 million for the first time ever, with many destinations reporting double digit growth rates, particularly in the Mediterranean. Destinations worldwide welcomed 901 million international tourists between January and August 2017, an additional 56 million more when compared to the same period of 2016.

Foreign arrivals to South Africa accounted for 2.5 million of total tourism trips taken between July and September 2017 and recorded a year-on-year growth of 4%. The fastest growth across regions was attained from Central and South America (54.1%), North America (6.6%) and Europe (5.6%). In Q3 2017, the estimated Total Foreign Direct Spend (TFDS; excluding capital expenditure) in South Africa was R20 billion and increased by 14.5% year-on-year. The growth in spend was driven by shopping, food and leisure. The food and leisure categories in particular grew ahead of the 2016 and 2015 value. In Q3 2017, domestic tourism accounted for 2.7 million trips and generated R2.9 billion in tourism revenue for South Africa. South Africa generated 17.5 million bed nights from the domestic market.

The Western Cape accounted for 15.3% of all South African tourist arrivals and received 26.5% of South Africa's tourist spend. In addition, the Western Cape held 18.7% of South Africa's bed nights recorded during the period. A total of 390 148 tourists were recorded during Q3 2017. Tourist arrivals to the province grew by 13.4% year-on-year, coupled with strong growth rates across all global regions to the province. Europe sustained a strong presence as the Western Cape's strongest international market with respect to volume, growing by a double digit 10.6% in Q3 2017. The Western Cape recorded the 2nd highest number in bed nights, generating 5.4 million for the quarter and grew by 46.8% year-on-year. Paid accommodation occupied in the formal sector (Hotels, B&Bs, guesthouses, self-catering, game lodges and backpackers) accounted for 60% of the total bed nights recorded in the Western Cape and grew by a significant 49.7% year-on-year.

Sub-programme 6.1 Tourism Planning

The Western Cape Tourism Partnership, chaired by Minister Winde, is the institutional mechanism driving stakeholder engagements. Tourism Planning provides the secretariat function to the Partnership. During the 2017/18 financial year, the stakeholder engagements were enhanced in order to achieve more effective consultation and involvement by stakeholders on Project Khulisa Tourism. In accordance with Tourism's Constitutional mandate, Minister Winde continued to partner more actively with the local municipalities

and their tourism stakeholders in an effort to further accelerate growth and job creation and to unblock any challenges being faced. To fulfil this drive of building solid working relationships across the tourism industry, the Minister and the Department scheduled meetings with key municipalities across the Western Cape in order to share the tourism strategy, to understand the programmes currently underway in each municipal jurisdiction and to address any concerns that may inhibit growth and job creation.

During the 2017/18 financial year, the approach for stakeholder engagement was focussed around the identified Khulisa Tourism projects. Certain project task teams (for example the Madiba Legacy task team, the air access task team and cycle tourism etc) have been created which met on a regular basis to discuss finer detail per project and this information is then fed into the Khulisa Tourism Manco meetings. The Khulisa Tourism Manco meetings were held regularly throughout the year which allowed stakeholders to discuss the implementation of Wesgro's Khulisa Tourism projects. Stakeholders present includes Wesgro, the Ministry and DEDAT. These matters and discussions are then escalated via the Khulisa Steercom meeting (chaired by the HoD) and then via the Khulisa Stocktake meeting (chaired by Minister Winde).

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

Tourism Planning also provided the overall coordination and participation of the Western Cape at the various National Department of Tourism's (NDT) working groups and forums. This included reporting on provincial delivery as part of the National Tourism Sector Strategy. Input has also been provided into strategies and alignment is ensured between National and Provincial goals and objectives.

Sub-programme 6.2 Tourism Growth and Development

During the 2017/18 financial year, the unit supported the cycle **tourism niche market**, with a focus on the development of two additional Cycle Routes, part of the Cycle Routes Network an initiative of the Western Cape Government namely the Cycle 364 Route and the Cederberg Circuit Cycle Route. In addition, Cycle Pins that were designed by the artist Porky Hefer that shows the location of the start and finishing points of the Cycle Routes and information boards about the Cycle Routes will be developed.

The **Cycle 364 Route** is approximately 128km and starts and end at the V&A Waterfront Cape Town, taking in the Atlantic Seaboard, Hout Bay, Chapman's Peak, Suikerbossie Hill, Simon's Town and goes past Masiphumelele, as well as Ocean View. The route has been named Cycle Tour 364 because cyclists are able to ride it 364 days of the year. The 365th day is reserved for riders of the Cape Town Cycle Tour.

The Cycle 364 Route will be officially launched in May 2018 by Minister Alan Winde.

The **Cederberg Circuit Cycle Route** has been developed in the 2017/18 financial year and stretches over 247 km and is a circular route that starts and end in Citrusdal in the West Coast region of the Western Cape, through Op die Berg in the Koue Bokkeveld and passes historical mountain passes, crystal clear rivers and luscious nature reserves through the Cederberg Mountains. This route passes citrus farms, rock art paintings and cyclists will experience the extreme weather conditions of the Cederberg.

The Cederberg Circuit Cycle Route will be officially launched by Minister Winde in June 2018.

An audit of cycle accommodation friendly establishments was conducted in the towns that will form part of the Cederberg Circuit Cycle Route. The development of the Cycle Routes was done through a consultative process with industry experts and buy-in from the municipal stakeholders.

The objective of these routes is to position the Western Cape as the Cycling Capital of Africa. These two routes follow the development of the Cross-Cape Cycle Route in the 2016/2017 financial year. This is an approximate 742 km route that stretches from Plettenberg Bay to Stellenbosch.

The **Culture and heritage niche market** with a special focus on the Madiba Legacy project, continued to be supported in the 2017/18 financial year. The Madiba legacy project, which is one of the Khulisa Tourism initiatives, focuses on Madiba's journey and traces the former President Nelson Mandela's footsteps in the Western Cape to enable and encourage tourists to walk in his footsteps. This project forms part of the Centenary year of Madiba. The project will greatly enrich visitor experiences of the attractions associated with one of the greatest men of our time, Nelson Mandela.

In partnership with the City of Cape Town and the Department of Cultural Affairs and Sports (DCAS), the Department will erect Nelson Mandela's statue on the balcony of the City Hall. This is where he addressed the crowd for the first time on 11 February 1990, upon his release from prison. Additional site-specific enhancements at the City Hall, including the development of the Mandela exhibition will also take place. During the 2017/18 financial year, the project steering committee of this project between the City of Cape Town, DEDAT and DCAS continued to ensure delivery of the project. The design, manufacture and installation of the Madiba Statue on the City Hall Balcony commended this financial year. The Nelson Mandela statue will be donated to the City of Cape Town and will be unveiled in July 2018, part of the Centenary Celebrations. This project is in partnership with the City of Cape Town, DEDAT and Department of Cultural Affairs and Sport (DCAS) and will enhance the Culture and Heritage tourism offering in Cape Town and the Western Cape.

Improving service in tourism has been identified as one of the focus areas to be addressed in the industry. The Journey to Service Excellence (J2SE) Programme was implemented in Saldanha and Langebaan during the 2017/18 financial year. The J2SE is aimed at creating a culture of service excellence within a destination and to embed a culture of service excellence at town level. The J2SE examines the whole tourism 'value chain', i.e. all businesses which come into contact with visitors, including transport services, accommodation establishments, financial institutions, shops, and any other businesses and authorities who come into contact with tourists.

The Journey to Service Excellence (J2SE) Programme has three components:

- A workshop component that is based on the SABS Service standard SANS 1197, a four day training workshop for different businesses across the tourism value chain in the Saldanha Bay Municipality.
- A region-wide service excellence radio campaign, where service excellence Ambassadors were nominated by the community of Langebaan and Saldanha.
- A leadership workshop for the CEOs, Managers of the businesses in Langebaan and Saldanha.

Strong partnerships were formed between the West Coast Business Chamber, West Coast Business Development Centre, DEDAT, West Coast District Municipality, Saldanha Bay Tourism and Saldanha Bay Municipality to make this programme a success. A total number of 119 beneficiaries completed the four day training workshop. A total number of 18 individuals from 12 businesses participated in the Leadership workshop. The training resulted in the up-skilling of employees in terms of the work functions and striving to increase service delivery in the tourism environment. It also resulted in benefits for the employers in terms of improved customer service provided to tourists and an improved reputation of a friendly hospitality industry within the towns of Saldanha and Langebaan.

The Media campaign ran from May to October 2017 and included email flyers, printed flyers, posters, radio advertisements and advertisements in the *Weslander*, radio competition, announcement on the Western Cape Government's Facebook page and in the Saldanha Bay Tourism newsletter. The media campaign was in partnership with *Die Weslander* and community radio station Radio West Coast. The radio competition took place during the months of August and September 2017. The competition also formed part to create awareness around Tourism Month in September 2017. The objective was to involve the community and to further create a culture of Service Excellence in the towns of Saldanha and Langebaan.

There were seven winners during the J2SE Radio competition. Interviews were conducted by the Department's Tourism team and Corporate Communication with the weekly winners, after which an advertorial was placed in the *Die Weslander*. Radio interviews were also held with the weekly winners and their nominators. This also created a platform to advertise their businesses for free. Prizes were handed over to the winners and nominators at the overall J2SE event, part of a live outside broadcast of Radio West Coast on 26 September 2017.

The feedback received from all stakeholders were very appreciated and positive, assisting in the creation of a culture of Service Excellence in the Saldanha Bay Municipality.

A further boost for the improvement of Service Levels was the implementation of the CATSSETA Accredited Customer Service Programme that is aimed at frontline tourism staff. This was a seven day training programme that included a portfolio of evidence. This programme was rolled out to businesses in the Beaufort West and George area part of the MOA signed between the N12 Treasure Route, an initiative with National Department of Tourism.

The Department worked closely with municipalities and tourism offices in Beaufort West and George and the municipalities. A total of 42 businesses were found competent and completed the Cathsseta Accredited training programme. The beneficiaries were trained from June to August 2017. The training resulted in benefits for the employers in terms of improved customer service provided to tourist, improved reputation of hospitable service within the destination.

Tourism Support Services provided support and assistance to 281 tourism establishments and individuals. This included:

- Management of the negative perceptions around the safety of the destination by providing a pro-active service (distribution of the printed travel safety tips to 226 tourism businesses, hospitals, embassies and police stations) and a re-active service (support and assistance provided to 37 tourists in distress).
- Secretariat support to the relevant Regional Tourism Liaison Committees (RTLCS), which is scheduled on a bi-monthly basis in the districts. Eighteen applications were approved in the Cape Winelands, Overberg, West Coast and Southern Cape regions for the erection of tourism signs. The Tourism Road Signage application process has, with the assistance of the Red Tape unit in DEDAT, been approved.

The Tourism Safety and Support Programme has a very strong relationship with the consulates and embassies, SAPS, NSRI, hospitals, Local tourism organisations, Wesgro, Cape Town Tourism and other tourism role players. The Western Cape is used as a best-practice model in South Africa with regards to a Tourism Safety and Support After-care programme.

In addition, the Department is an active member and participant at the Table Mountain Safety Forum, which responds to and reports on concerns, incidents, crime and media-related queries in terms of the Table Mountain area. Representatives include UCT, SAPS, SANParks, volunteer groups, interest groups and other government Departments. The Department is also a participant on the SAPS Cape Town Cluster crime report meetings.

Sub-programme 6.3: Tourism Sector Transformation

In terms of the legislative mandate, up-skilling programmes were provided to 59 tourist guides as follows:

- In partnership with the Metrorail, 59 students from Cape Town College were up-skilled in the form of a Tourist Guide Day's intervention where the Registrar provided guidance in terms of the process involved in becoming a legally registered tourist guide.
- During the 2017/18 financial year, 1 595 tourist guides were registered. Four (4) registrations were formally declined, three (3) of the registrations were work-related permit issues and the remaining one (1) was declined due the lack of a CATHSSETA certificate which is a requirement for all the registered tourist guides. In terms of Tourism Act 3 of 2014, a CATHSSETA certificate is a requirement for all the registered tourist guides.
- The Department continued to utilise internal staff to implement the tourist guides inspection programme. These inspections, which largely raise awareness, are held at various sites, from both prominent tourist attractions to walking tours in the CBD. A total of 116 tourist guides were inspected by the team. The majority of guides inspected were fully registered. Where guides were found to have expired registrations, they were notified and encouraged to renew timeously. As positive reinforcement, the Department sent emails of encouragement and appreciation to those tourist guides who uphold the law.
- A live database of all registered tourist guides in the Province, is hosted on the Provincial Government's webpage. This provincial database allows direct access to tour operators, tourists and the general public (both locally and internationally), to access registered tourist guides and it allows a search for guides to meet a specific need, e.g. a guide who can guide in a specific language.

Sub-programme 6.4: Tourism Destination Marketing

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

Wesgro's implementation of tourism destination marketing was successful. This is reflected in the achievement of the new measurable, the estimated economic impact of activities. The measurable looks at the various tourism activities of leisure tourism and the Convention bureau in relation to the estimated economic impact for the destination. A total of twenty five tourism destination initiatives were supported by the team, resulting in an estimated economic impact of R417 482 250 for the region.

Outcome indicator	Baseline (Actual outcome) 2016/17	Actual performance against target			Comment on deviations	
		Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Tourism Planning						
1.1	A single tourism destination strategy and delivery model developed by 2020.	-	-	-	-	
Sub-programme: Tourism Growth and Development						
1.1	Number of tourism niche markets supported.	2	2	-	-	
Sub-programme: Tourism Destination Marketing						
1.1	Estimated economic value of tourism destination marketing initiatives supported.	-	R156 million	R417.5 million	R261.5 million	The inclusion of incentive bids resulted in an increase in the number of bids secured which has led to an increase in the economic value of the initiatives supported.

Performance indicators and targets

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

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

Project Khulisa Tourism is a transversal approach that provides delivery of these tourism initiatives across the programmes in the Department. These initiatives contribute to achieving the identified outcomes of growing tourism direct jobs by up to 100 000 additional jobs and increasing tourism GVA from R17 billion to R28 billion.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations	
				Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Tourism Planning								
1.1	Number of stakeholder coordination strategies developed.	-	-	-	1	1	-	-
Sub-programme: Tourism Growth and Development								
1.1	Number of tourism products supported	2	1	2	2	2	-	-
1.2	Tourism Support Services: Number of tourism establishments/ individuals supported/ assisted.	210	287	260	200	281	81	The programme needed to respond to additional tourists in distress. Additional requests for Travel Tips from stakeholders and pro-active communication about the Tourism Safety and Support Programme is the reason for the over-achievement.
1.3	Number of beneficiaries participating in the service level improvement programme.	-	-	-	150	161	11	The regions requested that the Journey to Service Excellence (J2SE) project be rolled out during off-peak season and be completed before the September when the peak season starts for the Tourism Industry.

Performance indicator (Output)	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations	
				Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Tourism Sector Transformation								
1.1	Number of tourist guides developed.	512	154	308	52	59	7	An intervention was held with Cape Town Metrorail for International Tourist Guides Day. There is no limit on the amount of participants that may attend the intervention.
1.2	Number of individuals registered (tourist guides).	1 666	1 617	1 148	1 200	1 595	395	The unit has no control over how many accredited tourist guides register with CATHSSETA so that they can ultimately register with DEDAT, as required in terms of the Tourism Act 3 of 2014. The over-achievement is due to this process.
1.3	Number of individuals/ tourism related businesses inspected or monitored (tourist guides).	1 044	127	124	100	116	16	The unit conducted additional inspections.
Sub-programme: Tourism Destination Marketing								
1.1	Number of tourism destination marketing initiatives support.	-	-	14	13	25	12	Based on the findings of the baseline study, additional opportunities arose which afforded the Agency an opportunity to support additional tourism initiatives. In addition, the additional bids secured also contributed to the over-performance.

Strategy to overcome areas of under performance

Not applicable.

Changes to planned targets

Not applicable.

Linking performance with budgets

During the 2017/18 financial year, an amount of R54.030 million was appropriated to the programme. A breakdown per economic classification is as follows:

- Compensation of Employees accounted for R7.278 million.
- Goods and services accounted for R4.531 million.
- Transfers and subsidies accounted for R42.196 million and;
- R20 000 for capital payments.

Sub-programme expenditure

Sub- programme Name	2017/18			2016/17		
	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	-	-	-	-	-	-
Tourism Growth and Development	-	-	-	-	-	-
Tourism Sector Transformation	13 354	12 722	632	12 629	12 017	612
Tourism Destination Marketing	40 676	40 675	1	37 325	37 325	-
Total	54 030	53 397	633	49 954	49 342	612

4.7 PROGRAMME 7: SKILLS DEVELOPMENT AND INNOVATION

Purpose

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

Programme structure

The Programme is structured as follows:

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

Service delivery objectives and indicators

The adoption and refinement of the Apprenticeship Game Changer has been the response of the Western Cape - aimed at addressing the supply of and critical demand for skills needed in the Western Cape economy.

The Apprenticeship Game Changer has been a focussed approach aimed at: selected economic sectors, particularly those with the potential for a higher uptake in employment and economic growth prospects; and within specific occupations and trades in these sectors.

To achieve these, the Development Programme embarked on a communication campaign aimed at private sector to provide information on their skills needs; schools to have awareness of the skills required and to support “good subject choices” and grades; and to provide for skills training providers in the Province to gear themselves towards providing outputs that meet industry needs.

The efforts made by the Programme on career awareness, afforded learners and teachers at schools and colleges opportunities for training of teachers and lecturers and to enhance the curriculum, while learners were also exposed to open-day visits to work places.

The Game Changer also focussed on ensuring that learners are more work-ready as they adjust to the world of work. It is understood that these efforts will ensure that more youth remain interested and retained at work places until they are considered “competent” workers.

Some employees are expected to perform the tasks of fully qualified artisans at work places, even though they do not have the requisite qualifications. This result amongst others, in a loss of earning potential and mobility of people. The Programme has, since the previous financial year, initiated a process with national government for the development of Recognition of Prior Learning (RPL) toolkits for trades such as: boiler maker, motor and diesel mechanics and fitters and turners. These toolkits allow workers to be subjected to tests that identify and correct deficiencies in their theoretical knowledge and technical abilities and allow them to be trade tested and therefore qualify as artisans. Since the initial toolkits were piloted, the national government adopted them and have been rolled out to institutions across the Country.

Artisan Development

The strategic objective of creating an enabling environment to support economic development and job creation is the cornerstone of the Artisan Development (ADP) model and the goal of increasing the number of “appropriately qualified technical and vocational skills”.

Interventions in this regard, started in previous financial years, have resulted in more than 400 Artisan candidates in host companies, either through Departmental or partner funding. These candidates are in the process of completing their portfolio of evidence to support them as having been sufficiently exposed to the working environment.

The CBMT project has provided 374 artisanal candidates that exit trade theory access to practical, assimilated training so as to become workplace and trade test ready. The roll out of this training funded by the Department, has become Nationally recognized by DHET to replace and fast track a learner’s academic path so as to become trade test ready.

Industry Training

In addition to the Apprenticeship Game Changer, many other multi-year projects initiated in the previous years, have continued in 2017/18. Key amongst these projects is the Business Analysts Systems Analysts (BASA) programme. This project provided opportunities to 135 unemployed graduates to be trained in Business Analysis and Systems Analysis and be placed in Information Communication and Technology Companies to gain workplace experience before taken-up in employment. This programme has proven an enormous success with graduates being easily absorbed into employment and earning much more than entry level staff.

The ICT Propel Programme also afforded 100 youth with opportunities to gaining skills and being placed with ICT companies to gain workplace experience. The ICT Propel programme has since inception, from 2014/15, trained over 400 unemployed youth in short courses in technical skills related to Cisco and Linux, and soft skills training, which could lead to meaningful employment. The training would simultaneously add to the economic development of the region by increasing the pool of qualified ICT professionals to industry. The project was intended to involve various stakeholders including the Western Cape Government (DEDAT), the Cape IT Initiative's CapaCiTi Training and Internship Programme and Cape Town-based mentoring companies.

The Software Development at Schools (SWD@Schools) Programme was initiated by the Department with the aim of developing a pipeline of skills from schools to supply for the ICT and ICT-enabled industries. While the project speaks to the skills shortage and mismatch, it is essentially developing a new market for the supply of skills. This Programme facilitates the training of grades 10, 11 and 12 learners in software development skills to ensure a level of capability at Grade 12 level which could result in the automatic assimilation into industry. This project has shown significant returns, with absorption of school leavers being well sought after by industry.

Hospitality projects have provided unemployed youth opportunities to be trained in demand-led entry skills to gain certification as well as placement in industry through established industry partnerships.

The Programme has also conceptualized and shaped, through consultation with stakeholders that include industry and academia, demand-led skills training across financial years aligned to the priority sectors. The Blockman project, for example, has provided unemployed youth with an opportunity to be trained in demand-led skills in fresh meat-processing skills - through a dual model of training, parallel to workplace exposure, in leading agri-business companies in the province, to becoming employable.



Blockman training

Work and Skills

The Work Placement Programme aims to gradually meet the demand for skilled labour by providing a matched labour supply across various regions of the Western Cape and is focused on scarce and critical skills, which are specific to sector skills demands and cross cutting sector skills.

Private public relationships are vital to support such interventions to integrate work-readiness training for youth and to incentivise access to the workplace to gain experience.

Leveraging of partnerships

The global economic challenges and the need to extend skills development interventions have necessitated the need to improve efforts to leverage funding and other non-financial support for skills development programmes across the three spheres of government, industry and complementing partner efforts to achieve the necessary value-add, along the skills development pipeline.

Partnerships have included, amongst others the Western Cape SETA Cluster, EOH, Shoprite, Microsoft and the TVET colleges co-funding work placement and training to create a multiplier effect to increase the employability of youth and are good examples of ensuring sustainability of work placement model.

Outcome indicator		Baseline (Actual outcome) 2016/17	Actual performance against target			Comment on deviations
			Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18	
Sub-programme: Provincial Skills and Partnership						
1.1	Number of collaborative skills interventions supported.	3	8	8	-	-
1.2	Value of funds leveraged.	R18.112 million	R10 million	R14.996 million	R4.996 million	The partnerships established with public and private stakeholders during the financial year, resulted in increased financial and non-financial collaborations. This yielded more funds leveraged achieved than planned.
Sub-programme: Skills Programmes and Projects						
1.1	Number of Artisanal candidates ready for trade testing.	52	30	37	7	Increased availability of trade test centres.
1.2	Value of funding leveraged.	R3.978 million	R5 million	R20.175 million	R15.174 million	Increase in demand for placement of learners led to an increase in funds leveraged by Host Companies.
Sub-programme: Skills Incentives						
1.1	Value of funds leveraged.	-	R10 million	R29.891 million	R19.891 million	The ITTA funds were intended to be leveraged in 2016/17, however the project was delayed and the outcome was released in 2017/18.

Performance indicators and targets

Improved Coordination

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

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

Collaborative interventions supported

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

The Skills unit has also become the lead for the Apprenticeship Game Changer (previously Skills Game Changer) which impacted on the targets. The engagements included taking the concept of Apprenticeship as a Game Changer to Industry and in the main, as it relates to the Oil and Gas; Hospitality and Tourism; and Agri-processing growth sectors and ICT/Broadband and Energy as the enabling sectors. The Artisan Development Programme (ADP) had key collaborations with mainly the automobile sector, achieving over 78% of the 2017/18 work placement target for artisans.

The number of collaborative skills interventions supported in 2017/18 include financial and non-financial collaborations. Collaborative agreements were entered into between the Department and stakeholders to promote a coherent and effective working relationship on matters of skills development data-sharing on the various trades and occupations within the priority growth sectors of the Apprenticeship Game Changer within the Western Cape Province.

Improving employability

Improving the employability of young people include improving the "softer" skills such as work-readiness and attitude and workplace and technical competencies required to perform the required task within the workplace. During this period, the ADP placed 290 artisanal candidates within various trades at 90 companies, such as Motor Mechanics, Diesel Mechanics, Auto Electricians, Welders, Boilermakers, Fitters, Fitter and turners, Plumbers, Bricklayers and Carpenters.

Over 80 companies participated in the "Work and Skills Programme" during 2017/18 Financial Year, which resulted in 2 375 learners receiving experiential learning opportunities. Of the above-mentioned learners, DEDAT facilitated the exit of 715 learners into employment in mainly the retail, aquaculture, automotive and IT industries. EOH had the largest ICT learners exit, with Microsoft training.

Work Force Development

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

Candidates on the Work and Skills Programme are placed with Host Companies for periods ranging between five weeks and 12 months, which is determined by the nature and requirements of the industry. The short placement period was conducive for the retail sector, who have their own intensive training facilities and are able to exit learners into jobs at a faster rate.

In certain rural areas, where job creation is highly dependent on a thriving agricultural sector, the recent drought had a negative effect on job creation. Thus, Work and Skills Programme also supported rural Municipalities by placing learners within these local Municipal offices, for additional capacity required to render adequate service delivery.



Artisan Development Programme (ADP)

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

It is estimated that the programme has placed mainly in the following occupations/trades; Boilermakers, Electricians, Welders, Fitting and Turning, Fitters, Toolmakers, Diesel Mechanics, Motor Mechanics, Machinists, Auto Electricians, Plumbers, Carpenters etc. to date. Placement was key in the following areas; automobile, engineering and manufacturing which supported the Khulisa growth sectors such as Oil and Gas, Agri-Processing and the Tourism sectors. Based on industry demand, the major artisan placements were in the South Cape region, in mainly the Civil industries.

This programme was able to recruit unemployed youth that have completed their respective trade theory and where necessary, exposing them to simulated practical training in the workshops of TVET Colleges through Competency Based Modular Training (CBMT), to improve their chances of securing internships or artisanship. After CBMT, the apprentice is placed for up to 18 months at a host company to become eligible for the national trade test.

Skills Incentives

Initiated in 2005, the Western Cape Seta Cluster aims to facilitate the collaboration amongst DEDAT and SETAs. The quarterly meetings and regular communication improves information sharing which leads to an enhanced understanding of the value and roles of SETAs in the Skills Development value-chain within the Western Cape Economy.

Eighteen of the twenty-one SETAs have either attended quarterly meetings or collaborated through funding initiatives. These include SETAs who are not WC based like PSETA, BankSETA, INSETA, Agriseta and the MQA, to increase the footprint of the Apprenticeship Game Changer.

Highlights of the 2017/18 financial year were: the substantial growth of the WC SETA Cluster, designing a Work Readiness Programme to be funded by DEDAT and implemented during 2018/19 as well as an agreement reached with DHET, ensuring that we receive reliable quarterly data through which we can measure the implementation of Apprenticeships and Internships in the WC.

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

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

Through driving partnerships in artisan development, R23 million was raised from other funders, through two collaborative agreements with African Skills Village and Imperial Technical Academy. These funds are used towards trade interventions including training, working placements, summative assessments and trade-testing which ultimately, contribute toward increasing employability. The supply for the above came from the unemployed, those learners requiring support to complete studies and from the TVETs.

Other key collaborative agreements as well as partnerships have included Shoprite, South Cape College, EOH, Golden Arrow and PSETA towards co-funding work placement or training or both to create a multiplier effect towards increasing the employability of youth. These collaborative agreements are good examples of ensuring sustainability of the work placement model.

The Skills Incentives Think Tank (SITT) was established in the last quarter of 2018. The purpose of SITT is to facilitate the co-ordination amongst stakeholders to improve access to skills funds, collaboration and information-sharing around skills incentives, with a focus on gaining access to work experience for youth and improving business competitiveness. Working Groups were identified to be refined in 2018/19, which will result in proposals or business cases being developed to enable leveraging of partnerships along the value chain of skills and/or leveraging funds.



Performance indicator (Output)	Baseline (Actual output) 2014/15	Baseline (Actual output) 2015/16	Baseline (Actual output) 2016/17	Actual performance against target			Comment on deviations	
				Target 2017/18	Actual 2017/18	Deviation from planned target to actual achievement 2017/18		
Sub-programme: Provincial Skills and Partnership								
1.1	Number of structured and scheduled engagements, forums and events.	16	22	25	24	24	-	-
Sub-programme: Skills Programmes and Projects								
1.1	Number of artisanal candidates trained.	-	362	693	346	458	112	An increase in the uptake of artisanal candidates in demand-led trades by industry resulted in more learners being trained in demand-led trades.
1.2	Number of semi-skilled people trained.	-	1 938	469	440	488	48	An increase for demand-led skills by industry resulted in more learners being trained.
1.3	Number of artisanal candidates placed in host companies.	187	174	144	250	290	40	Increased industry demand.
1.4	Number of semi-skilled workers placed in host companies.	-	1 136	1 760	500	2 375	1 875	Increased industry demand.
Sub-Programme: Skills Incentives								
1.1	Number of collaborative agreements signed.	-	-	2	5	6	1	DEDAT has over-achieved on its annual target due to sustainable partnerships being developed.
1.2	Number of SETA Cluster Meetings.	-	-	-	4	4	-	-

Strategy to overcome areas of under performance

Not applicable

Changes to planned targets

Not applicable

Linking performance with budgets

An amount of R62.409 million was allocated to skills development in 2017/18 to support interventions and partnerships aimed at closing the gap between the skills supplied and those demanded by the economy. The allocated amount includes: R14.093 million for Compensation of Employees; R36.163 million for Goods and Services; and R10.634 million to transfers and subsidies with the bulk earmarked for stipend payments to beneficiaries to support experiential workplace learning.

Sub-programme expenditure

Sub- programme Name	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Skills and Partnership	18 183	17 322	861	10 662	10 596	66
Skills Programmes and Projects	42 750	42 381	369	49 825	42 085	7 740
Skills incentives	1 476	1 470	6	2 315	1 841	474
Management: Skills Development	-	-	-	-	-	-
Total	62 409	61 173	1 236	62 802	54 522	8 280

5. SUMMARY OF FINANCIAL INFORMATION

5.1 Departmental receipts

Departmental Receipts	2017/18			2016/17		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Non Tax Receipts	298	4 424	(4 126)	284	1 059	(775)
Sale of goods and services other than capital assets	298	438	(140)	284	320	(36)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	-	39	(39)	-	-	-
Sale of capital assets	-	22	(22)	-	22	(22)
Financial transactions in assets and liabilities	-	3 925	(3 925)	-	717	(717)
Total	298	4 424	(4 126)	284	1 059	(775)

Donor funds received (continued)

5.2 Programme expenditure

Programme Name	2017/18			2016/17		
	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	58 541	58 067	474	52 314	51 656	658
Integrated Economic Development Services	38 292	37 174	1 118	42 283	41 661	622
Trade and Sector Development	51 430	49 542	1 888	56 653	55 591	1 062
Business Regulation and Governance	11 069	10 600	469	10 911	10 479	432
Economic Planning	129 573	129 350	223	298 347	296 135	2 212
Tourism, Arts and Entertainment	54 030	53 397	633	49 956	49 342	614
Skills Development and Innovation	62 409	61 173	1 236	62 802	54 522	8 280
Total	405 344	399 303	6 041	573 266	559 386	13 877

5.3 Transfer payments to public entities

The table below reflects the transfer payments made for the period 1 April 2017 to 31 March 2018.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity	Reasons for the funds unspent by the entity
		R'000	R'000		
Programme 3: Trade and Sector Development					
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro).	Operational funding in support of the Wesgro's Trade and Investment promotion activities.	34 020	29 490	Overachieved on target by R1.24 billion.	-
Programme 5: Economic Planning					
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro).	Operational funding to support the Atlantis SEZ establishment.	1 980	90	-	Transfer effected in March 2018 against the approved Business Plan and cash flow for the SEDIC project that covers the period to 31 March 2019. The remainder of the funds will be spent by the end of June 2018 (i.e. end of 1 st Quarter).
Saldanha Bay Industrial Development Zone Licensing Company.	Operational funding for the Entity.	48 155	48 155	-	N/A
Programme 6: Tourism, Arts and Entertainment					
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro).	Operational funding in support of Wesgro's Destination Marketing activities.	40 675	41 275	The entity overachieved on the key targets such as estimated economic value by R298.4 million.	-

5.4 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2017 to 31 March 2018.

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	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Programme 2: Integrated Economic Development Services						
Various Agri-Processing Companies.	Private Enterprises.	Grant funding to subsidise SMME's in the Agri-Processing sector.	N/A	3 112	3 112	N/A
Various Oil and Gas Supply Industry Companies.	Private Enterprises.	Grant funding to subsidise SMME's in the Oil and Gas sector.	N/A	418	418	N/A
National Empowerment Fund.	Non-Profit Institution.	Operational support provided to the NEF in support of assistance to Western Cape based SMME.	Yes	2 000	0	The funds were transferred in March 2018 and could not be spent.
Households.	Households.	Financial support for the winners of the PERA 2017.	N/A	675	675	N/A
Households.	Households.	Donation in support of a Youth Entrepreneurship project in the Tweewater-skloof region.	N/A	80	80	N/A

Transfer payments to all organisations other than public entities (continued)

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	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Programme 3: Trade and Sector Development						
BPeSA	Non-Profit Institution.	To provide grant funding in support of the operations of the sector development body.	-	450	447	The balance will be utilized for operational funding and to keep account open.
Cape Craft and Design Institute	Non-Profit Institution.	To provide grant funding in support of the operations of the sector development body.	-	375	373	The balance will be utilized for operational funding and to keep account open.
Cape Clothing and Textile Cluster	Non-Profit Institution.	To provide grant funding in support of the operations of the sector development body.	-	300	300	N/A
Cape Innovation and Technology Initiative	Non-Profit Institution.	To provide grant funding in support of the operations of the sector development body.	-	500	500	N/A
Cape Town Fashion Council	Non-Profit Institution.	To provide grant funding in support of the operations of the sector development body.	-	450	450	N/A
Clotex	Non-Profit Institution.	To provide grant funding in support of the operations of the sector development body.	-	300	290	The balance will be utilized for operational funding and to keep account open.

Transfer payments to all organisations other than public entities (continued)

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	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Programme 3: Trade and Sector Development (continued)						
South African Oil and Gas Alliance	Non-Profit Institution.	To provide grant funding in support of the operations of the sector development body.	-	2 100	2 099	The balance will be utilized for operational funding and to keep account open.
Western Cape Fine Food Initiative	Non-Profit Institution.	To provide grant funding in support of the operations of the sector development body.	-	900	900	N/A
Western Cape Tooling Initiative	Non-Profit Institution.	To provide grant funding in support of the operations of the sector development body.	-	300	287	The balance will be utilized for operational funding and to keep account open.

Transfer payments to all organisations other than public entities (continued)

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	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Programme 5: Trade and Sector Development						
Cape Information and Technology Initiative (CITI).	Non-Profit Institution.	Grant funding to support the Ed-Tech Incubator.	-	1 000	945	The balance of R55K is due to a delayed start in employee and rental costs and will be utilised for the same by the end of April 2018.
		Grant funding to support the operations of the Khayalitsha Bandwidth Barn.	-	600	500	Operational funding allocation was spent. The R100K allocated to SMME Ecosystem Research will be paid by the end of May as the project is currently being implemented.
Genesis Community Information Technology Initiative (Genesis IT).	Non-Profit Institution.	Grant funding to support the operations of the ICAN Elsie River.	-	400	239	Final tranche was processed in March. The balance of R61K is committed operational expenditure for April and May 2018
Green Cape	Non-Profit Institution.	Grant funding is support of the Economic Response to water crises.	-	2 550	2 527	The funds transferred late in financial year, the full amount will be spent by the end of Q1 2018/19.

Transfer payments to all organisations other than public entities (continued)

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	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Programme 5: Trade and Sector Development (continued)						
Green Cape (continued)						
	Non-Profit Institution.	Grant funding to support the Smart Grids PV Rooftops activities of the sector development body.	-	1 600	1 600	N/A
	Non-Profit Institution.	Grant funding to support the Water Decision Making Tool activities of the sector development body.	-	800	789	The project was concluded.
	Non-Profit Institution.	To provide grant funding in support of the operations of the sector development body.	-	5 850	5 850	N/A
Western Cape Economic Development Partnership.	Non-Profit Institution.	Operational funding for the WC Economic development partnership.	-	10 136	10 136	N/A

Transfer payments to all organisations other than public entities (continued)

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 6: Tourism, Arts and Entertainment						
Oudtshoorn Municipality.	Municipality.	Donation to the Oudtshoorn Municipality to subsidise a Tourism destination upliftment activity.	-	1 500	0	Tender process is still being finalised.
Programme 7: Skills Development and Innovation						
Households.	Households.	Occupational and Entry stipends paid to learners on the Work and Skills Programme.	-	9 338	9 338	N/A
Households.	Households.	Stipends paid to assistants in rolling out an ICT upskilling project.	-	198	198	N/A
Households.	Households.	Stipends paid to Maths assistants placed at various TVET colleges.	-	704	704	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2017 to 31 March 2018, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for	Amount transferred	Reasons why funds were not transferred
		R'000	R'000	
N/A	N/A	N/A	N/A	N/A

5.5 Conditional grants and earmarked funds paid

Not Applicable

5.6 Conditional grants and earmarked funds received

The Department received no conditional grants during the 2017/18 financial year. However, as part of its Annual Appropriation, additional earmarked funds were received for the following:

- a) R23.918 million was received for the purpose of supporting the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) in terms of their core function of attracting foreign direct investment, enhancing trade (with a focus on the prioritised sectors), investigating alternative markets and aiming for international best practice in destination marketing, trade and investment promotion.
- b) An amount of R9.588 million was earmarked for support to the Broadband Stream 2 Initiatives.
- c) The Saldanha Bay IDZ received an allocation of R46.955 million to support the functioning of the governance structures constituted to oversee and manage the planning and implementation of the Saldanha Bay IDZ project.
- d) An amount of R10.136 million was earmarked to support the operations of the Western Cape Economic Development Partnership (WCEDP) during the 2017/18 financial year.
- e) An amount of R4.332 million was earmarked for support towards the Energy Security Game Changer. Of this amount, a total of R2.500 million was earmarked for Energy Security Game Changer personnel expenditure.
- f) An amount of R4.677 million was earmarked for support towards the Apprenticeship Game Changer. Of this amount, a total of R4.655 million was earmarked for Apprenticeship Game Changer personnel expenditure.
- g) R2.000 million was received for the purpose of supporting the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) to support cycling tourism within the Western Cape.

5.7 Donor funds received

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

Department who transferred the grant	Department of Economic Development and Tourism
Purpose of the grant	To support to the Broadband Stream 2 Initiatives in its objective of improving the competitiveness of businesses and the lives of citizens through broadband adoption. Western Cape Broadband Initiative is based on the pillars of infrastructure, readiness and usage and it requires that government, citizens and businesses are able to access digital and technological infrastructure and services but also that they have the skills (readiness) and demand (usage) to competently and adequately engage with the technology in order to improve their competitiveness and efficiencies.
Expected outputs of the grant	Implementation of the following projects: 1. Public Access Wi-Fi: Implementation of 384 public access Wi-Fi hotspots at Western Cape Government buildings over a period of three years. Target is one in every ward, for 16/17 target was 100 hotspots. 2. Internet Champions: Training and deployment of 200 Internet Champions at 100 Wi-Fi hotspot sites to deliver basic digital literacy to citizens reaching 200 000 citizens.
Actual outputs achieved	1. Public Access Wi-Fi: 128 completed in 2016/17, bringing the total to 178 having been completed in the first two years. 2. Internet Champions: 200 Internet Champions trained and deployed reaching a total of 181 383 local citizens in 2016/17.
Amount per amended DORA	N/A
Amount Received (R'000)	R9.588 million

Donor funds received (continued)

Department who transferred the grant (continued)	Department of Economic Development and Tourism (continued)
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R9.588 million
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	<p>Each project is governed through SLAs between the Department and the service provider which outlines the deliverables.</p> <p>Each project has an oversight committee and/or project operational committee which is made up of multi-stakeholders as follows:</p> <p>Public Wi-Fi:</p> <ul style="list-style-type: none"> Oversight Committee chaired by Senior DEDAT officials and Executive team from Neotel which met quarterly. Operational committee which is made up of operational team members of DEDAT and Neotel which met fortnightly. Inter-Departmental reference team which met quarterly to provide update on the Wi-Fi and Internet Champion project. <p>Internet Champions:</p> <ul style="list-style-type: none"> Operation committee meeting which operational team from DEDAT and Service provider (Computer4Kids).
Department who transferred the grant (continued)	Department of Economic Development and Tourism (continued)
Purpose of the grant	<p>Supporting the Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ-LC) in terms of their core function of establishing and IDZ/SEZ in Saldanha. Bay by:</p> <ul style="list-style-type: none"> Promoting, managing and marketing the SBIDZ. Providing internal infrastructure in the SBIDZ area. Facilitating the ease of doing business in the SBIDZ area. Acquiring and leasing land incidental to the Company's business.
Expected outputs of the grant	Number of infrastructure projects supported: 1
Actual outputs achieved	Number of infrastructure projects supported: 1
Amount per amended DORA	N/A
Amount Received (R'000)	R46.955 million
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R46.955 million
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	<p>The SBIDZ-LC is monitored through the WCG's APP Process and they report their performance on a Quarterly basis. The relevant DDG has bi-monthly meetings with the SBIDZ and the Department is represented on the Executive Committee that meets weekly as an operational management team. The SBIDZ-LC provides Quarterly Progress report to DEDAT and DEDAT produces Monitoring reports. The Department is also included in quarterly report-back meetings between the Board and the shareholder (in accordance with the Shareholders Compact).</p>

Donor funds received (continued)

Department who transferred the grant (continued)	Department of Economic Development and Tourism (continued)
Purpose of the grant	To support the operations of the Western Cape Economic Development Partnership (WCEDP) during the 2016/17 financial year.
Expected outputs of the grant	Five partnerships tested by means of Partnering Readiness Assessments.
Actual outputs achieved	Five partnerships tested by means of Partnering Readiness Assessments.
Amount per amended DORA	N/A
Amount Received (R'000)	R10.136 million
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R10.136 million
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	<p>The EDP submitted written progress reports to the relevant programme manager of the Department on a quarterly basis after the end of each of the following quarters:</p> <ul style="list-style-type: none"> • 1 April to 30 June. • 1 July to 30 September. • 1 October to 31 December. • 1 January to 31 March.
	<p>The above-mentioned progress reports reflected the achieved targets and outputs, as outlined in the Business Plan. These progress reports were submitted together with supporting document(s) substantiating the achieved targets and outputs.</p>
	<p>The Department reserved the right to request additional information pertaining to any matters or issues raised in or relevant matters or issues omitted from any report/ progress report as furnished.</p>
	<p>Failure by the WCEDP to submit any progress reports on or before the dates as stipulated in clause 5.1 above would result in suspension or termination of payments by the Department.</p>
	<p>The management of the WCEDP were obliged to attend regular meetings to be held at the reasonable instance and request of the Department to discuss progress of or any impediments to the fulfilment of the obligations in terms of the Transfer Payment Agreement.</p>
	<p>Although no official(s) of the Department may serve on or be appointed to the Board of the WCEDP, the WCEDP could allow a duly nominated official(s) from the Department to attend board meetings and other committee meetings as an ex officio member, with the exception of those meetings at which confidential governance matters were discussed, as a way of monitoring and evaluating progress made by the WCEDP in achieving the targets and outputs of the Project as stipulated in the Business Plan.</p>
	<p>The Department would be provided with timeous notice of all such meetings as well as all relevant documents including but not limited to, minutes of meetings and agendas attended by the relevant official and pertaining to the Project.</p>

Donor funds received (continued)

Department who transferred the grant (continued)	Department of Economic Development and Tourism (continued)
Monitoring mechanism by the receiving Department (continued)	The WCEDP made available to the Department all relevant records, documents and other evidence pertaining to the performance/obligations in terms of the Agreement, as and when requested by the Department, in order that the Department may conduct outcome and impact evaluations, after reasonable prior written notice has been given.
	Together with the final progress report submitted to the Department in accordance with the above, the WCEDP submitted a report by its Director, Chief Executive Officer, or other most senior member of management, as the case may be, pertaining to the Project, and which referred to the following: <ul style="list-style-type: none"> The extent to which the WCEDP achieved its objectives for the financial year concerned; Appropriate performance information regarding the economical, effective and appropriate utilisation of the Funds; and An indication of other funds, if any, received from organs of State, as well as any undertaking given by the State.
	To ensure that the Funds were utilised correctly, the WCEDP would, upon written notice by the Department, grant authorised officials of the Western Cape Government access to the documentation, books, financial records and bank statements of the WCEDP at all reasonable times, and these officials shall be entitled to inspect the WCEDP's records at the WCEDP's premises and to make copies of any required documentation.
	The Department reserved the right to request the WCEDP to have the financial statements, referred to above, audited.
Department who transferred the grant	Provincial Treasury
Purpose of the grant	Support towards the Apprenticeship Game Changer
Expected outputs of the grant	Appointment of staff.
Actual outputs achieved	Staff appointed.
Amount per amended DORA	N/A
Amount Received (R'000)	R4.677 million
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the Department (R'000)	R4.677 million
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	Six weekly stocktake reporting to Premier.

Department who transferred the grant	Provincial Treasury for Energy Security Game Changer
Purpose of the grant	Energy Security Game Changer personnel expenditure.
Expected outputs of the grant	Appointment of Staff.
Actual outputs achieved	Staff appointed.
Amount per amended DORA	No
Amount Received (R'000)	R2.500 million
Reasons if amount as per DORA was not received	N/A

Donor funds received (continued)

Department who transferred the grant (continued)	Department of Economic Development and Tourism
Amount spent by the Department (R'000)	R2.523 million
Reasons for the funds unspent by the entity	A staff member was promoted from ASD to DD. Increased budget-spend but still within total earmarked allocation.
Reasons for deviations on performance	
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	Staff performance and evaluation.
Expected outputs of the grant	Running of game changer office and contribution to communications campaign.
Actual outputs achieved	Game Changer office set up and communications campaign run.
Amount per amended DORA	No
Amount Received (R'000)	R1.832 million
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R1.808 million
Reasons for the funds unspent by the entity	Underspending in Ops budget due to reduction in staff numbers.
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	Departmental budget tracking and Stocktake reporting.

Donor Fund 1: National Treasury: Jobs Fund

Name of donor	Jobs Fund
Full amount of the funding (R'000)	R39.268 million. To date received R31.344 million.
Period of the commitment	Four years.
Purpose of the funding	To support the Work and Skills Programme.
Expected outputs	Number of learners employed (1 755) and time-bound internships (2 700).
Actual outputs achieved	Learners employed (1 877), while 4 489 completed time-bound internships.
Amount received in current period (R'000)	0
Amount spent by the Department (R'000)	R11.847 million.
Reasons for the funds unspent	Project runs over financial years and co-funded from Departmental funding.
Monitoring mechanism by the donor	Quarterly reporting and Site Visit verification.

5.8 Capital investment, maintenance and asset management plan

Infrastructure Projects	2017/18			2016/17		
	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
New and replacement asset	3 649	3 528	121	5 843	5 692	151
Existing Infrastructure assets	-	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure Transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	3 649	3 528	121	5 843	5 692	151

Provide commentary on the following:

- **Progress made on implementing the capital, investment and asset management plan.**
Not applicable
- **Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance).**
Not applicable
- **Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed.**
Assets will be replaced in terms of the asset management policy. In comparison to the previous financial year, the Department will continue with the restructuring of floors and offices during the financial year 2018/19.
- **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:**

During the 2017/18 financial year, the Department embarked on a disposal process where its asset base was reduced by R2 867 833 (A total of 595 Assets). In this regard, the Department considered factors such as the Department's Socio and Economic responsibility and assisting public sector entities in fulfilling their mandate of service delivery to the public at large.

In lieu of this, assets were donated to Non-Governmental Organisations (NGO's), Non Profit Organisations (NPO's) and public entities in aiding them to fulfil their obligations effectively and efficiently.

Distribution entailed:

- A total of 322 assets with the value of R1 040 786 were donated to NGO's and NPO's.
- A total 225 assets with the value of R1 616 781 were transferred to other public sector entities of the state.

The asset base was further reduced by:

- A total of 30 assets to the value of R68 476 were disposed through responsible recycling "e-waste".
- A total of 18 assets to the value of R141 790 were written off.

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

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

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

- 54% is in a good condition
- 43% is in a fair condition
- 3% 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 manufacturer's 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:**

Not applicable

A white puzzle piece with a red center. The text "Corporate Governance" is written in white on the red background.

**Corporate
Governance**

**Part C:
CORPORATE GOVERNANCE**

1. INTRODUCTION

The onset of the 2017/18 financial year observed the entrance of the new King IV report of Corporate Governance. In maintaining due vigilance of the governance space, the Department preempted potential changes to its governance structures and garnered King IV information with its soft release during November 2016. Armoured with this information, a review of the existing departmental Governance committee's terms of reference ensured, rendering the committee's plan King IV compliant.

As in prior years, the Corporate Governance requirements of the King IV report with regards to the Accounting Officer's responsibilities are espoused by section 38 and 40 of the PFMA. Pursuant of this legislative duty and responsibility towards sound governance, the Governance Committee is chaired by the Accounting Officer and composed of all senior management members inclusive of provincial partners in the areas of Risk Management, Information Technology, Internal Audit and Forensics. The Governance committee ensures that corporate, ethical and social responsibility and accountability are imparted to the Departments' entire stakeholder constituent and applies this ethos to their business responsibility in leading the Department towards the achievement of its mandate.

To drive, deliver and set the tone for the King IV principle of Leadership: The governing body should lead ethically and effectively, the Committee engaged the Chief Executive Officer of the Ethics Institute of South Africa to start the journey of cultivating an ethical, competent, accountable and transparent governing body of the Department. From a practical perspective, once these values are present, departmental policies will ensure management accountability and ethical service delivery.

Falling in the ambit of corporate governance principles, the Department prides itself on exceeding the legislative requirements for enterprise risk management and focussing more on its value-adding elements. In doing so, the annual development of the Department's new strategic risk profile was set in the context of Senior Futurist Doris Viljoen's (Institute of Future's Research at the University of Stellenbosch) strategic conversation regarding the outlook for the Western Cape. This was done to ensure true strategic risks were developed for the Department with the consequent true mitigations.

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

2. RISK MANAGEMENT

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

In compliance with the National Treasury Public Sector Risk Management Framework (PSRMF) and to further embed risk management within the Department, the Western Cape Government (WCG) has adopted an ERM Policy Statement which sets out the WCG's overall intention with regard to ERM. The Department adopted an ERM Policy 2016/17 – 2017/18, approved by the Accounting Officer on 22 April 2016; and an ERM Strategy and Implementation Plan for 2017/18, approved by the Accounting Officer on 11 April 2017. The ERM Implementation Plan gave effect to the departmental ERM Policy and Strategy and outlines the roles and responsibilities of management and staff in embedding risk management in the Department.

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

The Department established an Enterprise Risk Management Committee (ERMCO) to assist the Accounting Officer in executing his responsibilities relating to risk management. The Committee operated under a Terms of Reference approved by the Accounting Officer on 29 June 2017. ERMCO in the main evaluated the effectiveness of the mitigating strategies implemented to address the risks of the Department and recommended further action where relevant.

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

Institutional Performance

The Department of the Premier: Enterprise Risk Management, in partnering with the Department, facilitated tailored risk management training to departmental staff during the 2017/18 financial year. As a widely accepted means to embed cultures, the risk management training and development programme raised considerable awareness amongst staff that do not necessarily operate within the risk management process ambit but unintentionally contribute to it in their daily operations. The programme was thus engineered to orientate and capacitate lower level staff to the value incurred by implementing effective risk management and how this relates to their areas of work.

In addition, and with a watchful eye on the King IV requirement to apply risk management through leadership and negate the principle becoming a series of activities that are apart from the realities of the Department's business, the sourcing of risk intelligence through industry experts has been undertaken as a normal preparatory task for any risk assessment session during the 2017/18 financial year.

This measure has greatly improved the risk management process in that risk owners have a better point of reference given the scenario setting by the industry expert and consequently lending credibility to Departmental risk profiles.

3. FRAUD AND CORRUPTION

Fraud and corruption represent significant potential risks to the Department's assets and can negatively impact on service delivery efficiency and the Department's reputation.

The Western Cape Government (WCG) adopted an Anti-Fraud and Corruption Strategy which confirms the Province's zero-tolerance stance towards fraud, theft and corruption. In line with this strategy the Department is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external, and vigorously pursues and prosecutes by all legal means available, any parties who engage in such practices or attempt to do so.

The Department has an approved Fraud and Corruption Prevention Plan and a Fraud Prevention Implementation Plan which gives effect to the Prevention Plan.

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

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

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

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

Open cases as at 1 April 2017	0
New cases (2017/18)	1
Closed cases (2017/18)	1
Open cases as at 31 March 2018	0

The following table further analyzes the closed cases indicated above:

Outcome of cases closed	
Outcome	Number
Allegations substantiated	1
Only preliminary investigation with no adverse findings	0
Only preliminary investigation with no findings but with recommendations	0

4. MINIMISING CONFLICT OF INTEREST

A key corporate governance element is effective conflict of interest management. The Department regards this as an important focus area within Supply Chain Management and the Transfer Payments. Pursuant of this and to achieve conflict of interest coverage and thereby prevention, the Department has for the 2016/17 financial year cemented its stance in terms of ethical service delivery practices and ensured the following:

- All departmental bid committee members sign a declaration of interest for each bid/quotation and if any conflict may exist, the relevant members are excused from the meeting. This declaration also mitigates any potential confidentiality issues that may arise.
- 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 WCBD4 is verified by the Department prior to the evaluation of a bid or quotation.
- Declarations of interest completed by all staff inviting quotations for procurement between R0 to R10 000.
- Declarations of interests completed by all staff involved in transfer payments to beneficiaries during the year.
- Vetting of senior management, staff and key suppliers.
- Verification of bidders' conduct against the register of tender defaulters.

For the reporting period, the Department reached 100% compliance for both SMS level, as well as the other designated categories of employees. The full compliance by employees reflects the commitment to transparency within the Department of Economic Development and Tourism.

5. CODE OF CONDUCT

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

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

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Department shows its commitment to its employees by ensuring a safe and conducive working environment. During the financial year, the focus was mainly on water saving due to the draught and on the fire hazards, both within the workplace and at home.

Although there are four departments represented within the Waldorf building, each with their own Occupational Health and Safety representative, the Department of Economic Development and Tourism, has taken the lead in co-ordinating the Occupational Health and Safety for the entire Waldorf Building. This is inclusive of co-ordinating the two prescribed evacuations exercises. Both evacuations were done successfully and in an improved time. The evacuations were done with the full participation of both the employees and stakeholders within the building.

The Security Risk Management function within DEDAT continues to evolve and develop to mitigate risks identified in the risk assessment. We have increased our efforts in safeguarding information assets as the threats increase in that area. DEDAT in conjunction with Cel supplied various training and awareness programmes and moved business data to the secure MyContent application for data storage. In addition, physical security has improved with an upgrade to the building access security to prevent “tail-gating” when entering the building and additional security cameras have been added to cover the emergency exit routes. These are additional to the measures in place that lead to an improved score on the SAPS Physical Audit conducted by SAPS. This improvement is attributed to a functional Security Committee, duly appointed by the Head of Department. The Security functions are executed in conjunction with the Department of Community Safety via a MOU, which leads the Security Risk Management function transversally within the WCG.

7. SCOPA RESOLUTIONS

The Committee noted the Auditor-General’s audit opinion regarding the Department’s Annual Financial Statements for the 2016/17 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2014/15 financial year.

Background/Concerns	Resolutions	Action Date	Action Taken
<p>Statement of financial performance.</p> <p>The Committee has been advised by the AGSA that the National Treasury is currently drafting an Accounting Manual to distinguish between “goods and services” and “transfer payments”. This can potentially influence the future audit opinion outcome for departments and entities. The Department has successfully incorporated the distinguishment between “goods and services”, as well as “transfer payments” in its annual financial statements.</p>	<p>That the Department assists all other departments and entities of the WCG in order to ensure that they correctly distinguish between “goods and services” and “transfer payments”. This will avoid potential future negative audit opinion outcomes for all departments and entities of the WCG.</p>	<p>31 May 2018</p>	<p>National Treasury had provided all Departments with additional guidelines on transfer payments. These guidelines aligned to the measures implemented by the Department. In addition, the Department had provided guidance to Departments at the CFO forum lead by Provincial Treasury.</p>

8. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior year modifications to the audit report.

9. INTERNAL CONTROL UNIT

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

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

For the 2016/17 financial year, the internal control unit conducted inspections on compliance and financial information. In this regard, we conducted inspections on all payments for supply chain management and transfer payments as well as other inspections on the: asset reconciliation, financial leases, interim and annual financial statements.

10. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the Department. It should assist the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes. The following key activities are performed in this regard:

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

The following engagements were approved and completed in the 2017/18 Internal Audit Plan:

Assurance Engagements

- Transfer Payments.
- Department of Public Service and Administration (DPSA): Delegations Directive.
- Demand Management (Supply Chain Management).

Consulting Engagements

- Skills Development and Innovation: Host Companies and Learners: Recruitment, Assessment & Selection.
- Ease of doing Business: Phase 1 Costing Tool.

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

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

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

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date Resigned	No. of Meetings attended
Ms Judy Gunther (Chairperson)	CIA; AGA; Masters in Cost Accounting; BCompt; CRMA.	External	N/A	1 January 2016 (2nd term)	N/A	8
Mr Francois Barnard	MComm (Tax); CA (SA); Postgrad Diploma in Auditing; CTA BCompt (Honours); BProc.	External	N/A	1 January 2016 (2nd term)	N/A	8
Mr Burton Van Staaden	CA (SA), Postgraduate Certificate in Auditing; CTA; BCom (Honours).	External	N/A	1 January 2015 (2nd term)	2nd term expired 31 December 2017	7
Ms Merle Kinnes	BA; LLB; Certificate Forensic Examination; Attorney of the High Court of SA.	External	N/A	1 January 2016 (1st term)	N/A	9
Mr Linda Nene	Bcom (Acc); Post Grad Dip Management (Corp Governance; CCSA, GIA (SA); FIIASA; CRMA; CCP (SA); Masters in International Business.	External	N/A	1 January 2018 (1st term)	N/A	2

11. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2018.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **Section 38 (1) (a) (ii)** of the **Public Finance Management Act (PFMA) and National Treasury Regulations 3.1.13**. The Audit Committee also reports that it has adopted an appropriate formal Terms of Reference, has regulated its affairs in compliance with these Terms and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

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

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

Assurance Engagements:

- Transfer Payments
- Department of Public Service and Administration(DPSA): Delegations Directive
- Demand Management (Supply Chain Management)

Consulting Engagements

- Skills Development and Innovation: Host Companies and Learners: Recruitment, Assessment & Selection
- Ease of doing Business: Phase 1 Costing Tool

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

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

The Audit Committee has:

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

Compliance

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

Performance Information

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

Report of the Auditor-General South Africa

We have on a quarterly basis reviewed the Department's implementation plan for audit issues raised in the prior year. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA are monitored by the Audit Committee on an a quarterly basis.

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



JUDY GUNTHER
CHAIRPERSON OF THE ECONOMIC CLUSTER AUDIT COMMITTEE
DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
DATE: 21 AUGUST 2018



Part D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Our unique contribution to the work of the Western Cape Government is as a result of the persistent and often selfless, efforts of the people within the Department of Economic Development.

To consistently deliver improved services to the citizens of the Western Cape Province is not without its own challenges. The modern people management landscape has shifted significantly in recent years and requires complex navigation between a range of competing variables.

Apart from the fact that these variables are inter-dependent and inter-related, they are also governed by stringent rules and regulations, which prove difficult when retention and attraction initiatives are explored.

These include balancing service delivery imperatives, the attraction and retention of critical and scarce skills, workforce empowerment, career management, succession planning, employment equity and creating an enabling environment where employees are able to thrive. Further to this, the Department is required to function within an austere environment, which demands that managers consider the impact of “doing more with less”.

Despite the changing patterns and increased demands impacting on the modern workplace, the consistent hard work of our people, has resulted in remarkable achievements and service delivery improvement during the year under review.

2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT

2.1 Departmental Workforce Planning

- The role of Workforce Planning is important to ensure that the Department has the required number of people with the requisite skills, knowledge and attitudes to perform the work. Through this process the Department annually assesses its workforce profile against current and future organisational needs:
- The aim of this assessment is to identify to what extent the current workforce profile addresses the key people management outcomes that would guarantee service continuity and value.
- The Workforce Plan 2016-2021, is therefore aligned to the vision and mission of the Department’s Strategic Plan, as well as the People Management Strategy.
- The assumptions on which this Workforce Plan was developed are still valid and the Action Plan was reviewed to ensure that strategies (as per the listed priorities) would achieve its outcomes:
 - Competent people in the right numbers at the right place at the right time with the right attitude.
 - Leaders that are exemplars of the behaviours associated with the organisation’s values.
 - Highly engaged people.
 - An equitable workforce.
 - A citizen-centric performance culture.
 - A diverse workforce with equal opportunities for all.
 - A performance conducive workplace.

2.2 Employee Performance Management

The purpose of Performance Management is to increase performance by encouraging individual commitment, accountability and motivation.

All employees are required to complete a performance agreement before 31 May each year. The agreement is in essence a contract between the employer and the employee containing the projects, programmes, activities, expectations and standards for the required delivery. In order to facilitate a standardised administration process, the Western Cape Government has devised an electronic system, namely PERMIS (Performance Management Information System), that allows for the entire performance management process to be captured, monitored and managed.

The performance management process requires that a mid-year review and an annual assessment is conducted but, that the operational targets and achievements linked to the performance agreement be monitored and communicated on an ongoing basis. In instances where targets or performance expectations are not met, the gaps are addressed through the management of poor performance. In this context, a performance consulting unit has been established within the Corporate Services Centre (Chief Directorate: People Management Practices) to assist line managers (people managers) in dealing with poor performance. The process is developmental, however, in instances where individuals have been identified as poor performers in terms of the legislative framework, they are required to subject themselves to a developmental plan or alternatively to disciplinary action.

2.3 Employee Wellness

The WCG's transversal Employee Health and Wellness Programme (EHW) follows a holistic approach to employee well-being 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, ongoing 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).

2.4 People Management Monitoring

The Department, in collaboration with the CSC monitors the implementation of a range of people management compliance indicators. The monthly Barometer Fact File, that is developed by the Chief-Directorate: People Management Practices within the CSC, provides the Department with regular updates on the workforce profile and other relevant people management data to enable decision-making. The indicators include, inter alia, staff establishment information, headcount, people expenditure projections, sick leave patterns, the monetary value of annual leave credits, discipline cases, vacancy rates, staff movement, employment equity, etc.

During the year under review, the Department furthermore participated in the implementation of the annual Management Performance Assessment Tool (MPAT 1.7) coordinated by the Department of Planning Monitoring and Evaluation (DPME). In this regard, an average score of 3.8 out of 4 was achieved for the people management key performance area (KPA3). This is amongst the highest scores achieved for this performance area nationally.

3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

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

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

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

Table 3.1.1: Personnel expenditure by programme, 2017/18

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Goods and Services	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee	Number of Employees remunerated
	(R'000)	(R'000)	(R'000)	(R'000)		(R'000)	
Programme 1	58 067	36 323	880	17 132	62.6	349	104
Programme 2	37 174	17 602	78	12 489	47.4	568	31
Programme 3	49 542	7 334	12	2 495	14.8	524	14
Programme 4	10 600	7 759	17	2 832	73.2	456	17
Programme 5	129 350	25 120	18	31 114	19.4	628	40
Programme 6	53 397	7 148	0	4 031	13.4	421	17
Programme 7	61 173	14 079	14	36 158	23.0	306	46
Total	399 303	115 365	1 019	106 251	28.9	429	269

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

Table 3.1.2: Personnel expenditure by salary band, 2017/18

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Lower skilled (Levels 1-2)	1 212	1	37	33
Skilled (Levels 3-5)	5 929	5	198	30
Highly skilled production (Levels 6-8)	27 964	23.4	325	86
Highly skilled supervision (Levels 9-12)	58 864	49.3	607	97
Senior management (Levels 13-16)	25 379	21.3	1 103	23
Total	119 348	100	444	269

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

The following tables provide a summary per programme (Table 3.1.3) and salary bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. These tables do not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. In each case, the table provides an indication of the percentage of the personnel expenditure that was used for these items.

Table 3.1.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2017/18

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	26 759	22.4	92	0.1	707	0.6	1 332	1.1
Programme 2	12 739	10.7	-	-	223	0.2	475	0.4
Programme 3	6 063	5.1	2	0.002	167	0.1	281	0.2
Programme 4	5 836	4.9	-	-	135	0.1	242	0.2
Programme 5	15 930	13.3	-	-	213	0.2	505	0.4
Programme 6	5 290	4.4	4	0.003	154	0.1	228	0.2
Programme 7	12 998	10.9	-	-	98	0.1	199	0.2
Total	85 614	71.7	98	0.1	1 696	1.4	3 262	2.7

Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2017/18

Salary Bands	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing Allowance as a % of personnel expenditure	Amount	Medical Assistance as a % of personnel expenditure
	(R'000)		(R'000)		(R'000)		(R'000)	
Lower skilled (Levels 1-2)	1 077	0.9	-	-	29	-	11	0.02
Skilled (Levels 3-5)	4 217	3.5	1	0.0008	210	0.2	366	0.3
Highly skilled production (Levels 6-8)	20 817	17.4	51	-	791	0.7	1 625	1.4
Highly skilled supervision (Levels 9-12)	43 325	36.3	46	0.04	552	0.5	1 180	1
Senior management (Levels 13-16)	16 178	13.6	-	-	115	0.1	80	0.1
Total	85 614	71.7	98	0.1	1 696	1.4	3 262	2.7

3.2 Employment and vacancies

The following tables summarise the number of active posts on the establishment, the number of employees (excluding interns and the Minister), and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three key variables, namely: Programme (Table 3.2.1), Salary Band (Table 3.2.2) and Critical Occupations (Table 3.2.3). All information in this section is provided as a snapshot as at the end of the financial year under review.

Table 3.2.1: Employment and vacancies by programme, as at 31 March 2018

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	87	84	3.4
Programme 2	24	24	-
Programme 3	12	12	-
Programme 4	14	14	-
Programme 5	36	34	5.6
Programme 6	16	15	6.3
Programme 7	34	33	2.9
Total	223	216	3.1

Table 3.2.2: Employment and vacancies by salary band, as at 31 March 2018

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1-2)	2	2	-
Skilled (Levels 3-5)	28	28	-
Highly skilled production (Levels 6-8)	75	74	1.3
Highly skilled supervision (Levels 9-12)	96	91	5.2
Senior management (Levels 13-16)	22	21	4.5
Total	223	216	3.1

Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2018

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Economists	2	2	-
Total	2	2	-

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

3.3 Job evaluation

Job evaluation was introduced as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities are required to evaluate each new post in his or her organisation or re-evaluate any post where the post mandate or content has significantly changed. This job evaluation process determines the grading and salary level of a post. It should be understood that Job Evaluation and Staff Performance Management differ in the sense that Job Evaluation refers to the value/weighting of the activities that are associated with the post and Staff Performance Management refers to the review of an individual's performance.

Table 3.3.1: Job evaluation, 1 April 2017 to 31 March 2018

Salary Band	Total number of posts as at 31 March 2018	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1-2)	2	0	0	0	0	0	0
Skilled (Levels 3-5)	28	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	75	2	0.9	0	0	0	0
Highly skilled supervision (Levels 9-12)	96	1	0.4	0	0	0	0
Senior Management Service Band A (Level 13)	14	0	0	0	0	0	0
Senior Management Service Band B (Level 14)	4	0	0	0	0	0	0
Senior Management Service Band C (Level 15)	3	0	0	0	0	0	0
Senior Management Service Band D (Level 16)	1	0	0	0	0	0	0
Total	223	3	1.3	0	0	0	0

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

Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2017 to 31 March 2018

Beneficiaries	African	Indian	Coloured	White	Total
None					

Table 3.3.3: Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2017 to 31 March 2018

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
None					

Table 3.3.4: Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2017 to 31 March 2018

Beneficiaries	African	Indian	Coloured	White	Total
None					

3.4 Employment changes

Turnover rates provide an indication of trends in the employment profile of the Department during the year under review. The following tables provide a summary of turnover rates by salary band (Table 3.4.1) and by critical occupation (Table 3.4.2). This section does not include intern information.

Table 3.4.1: Annual turnover rates by salary band, 1 April 2017 to 31 March 2018

Salary Band	Number of employees as at 31 March 2017	Turnover rate 2016/17	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2017/18 %
Lower skilled (Levels 1-2)	2	33.3%	0	0	0	0	0.0
Skilled (Levels 3-5)	27	33.3%	5	0	2	1	11.1
Highly skilled production (Levels 6-8)	71	18.7%	10	2	5	4	12.7
Highly skilled supervision (Levels 9-12)	87	15.7%	13	0	7	2	10.3
Senior Management Service Band A (Level 13)	14	0.0%	0	0	1	0	7.1
Senior Management Service Band B (Level 14)	6	0.0%	0	0	0	1	16.7
Senior Management Service Band C (Level 15)	1	0.0%	1	0	0	0	0.0
Senior Management Service Band D (Level 16)	1	0.0%	0	0	0	0	0.0
Total	209	18.1%	29	2	15	8	11.0
			31		23		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (Both Provincially & Nationally).

Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2017 to 31 March 2018

Critical Occupation	Number of employees as at 31 March 2017	Turnover rate 2016/17	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2017/18
Economists	2	0.0%	0	0	0	0	0.0%
Total	2	0.0%	0	0	0	0	0.0%

Table 3.4.3: Staff leaving the employ of the Department, 1 April 2017 to 31 March 2018

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2017
Death	0	0.0	0.0
Resignation *	9	39.1	4.3
Expiry of contract	5	21.7	2.4
Dismissal - operational changes	0	0.0	0.0
Dismissal - misconduct	0	0.0	0.0
Dismissal - inefficiency	0	0.0	0.0
Discharged due to ill-health	0	0.0	0.0
Retirement	1	4.3	0.5
Employee initiated severance package	0	0.0	0.0
Transfers to Statutory Body	0	0.0	0.0
Transfers to other Public Service departments	8	34.8	3.8
Total	23	100.0	11.0

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 2017 to 31 March 2018

Resignation Reasons	Number	% of total resignations
Further studies	1	11.1
Insufficient progression possibilities	1	11.1
No reason provided	3	33.3
Other occupation	4	44.4
Total	9	100.0

Table 3.4.5: Different age groups of staff who resigned, 1 April 2017 to 31 March 2018

Age group	Number	% of total resignations
Ages <19s	0	0.0
Ages 20 to 24	0	0.0
Ages 25 to 29	3	33.3
Ages 30 to 34	2	22.2
Ages 35 to 39	1	11.1
Ages 40 to 44	2	22.2
Ages 45 to 49	0	0.0
Ages 50 to 54	1	11.1
Ages 55 to 59	0	0.0
Ages 60 to 64	0	0.0
Ages 65 >	0	0.0
Total	9	100.0

Table 3.4.6: Employee initiated severance packages.

Total number of employee initiated severance packages offered in 2017/18	None
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Table 3.4.7: Promotions by salary band, 1 April 2017 to 31 March 2018

Salary bands	Employees as at 31 March 2017	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary band	Notch progressions as a % of total employees
Lower skilled (Levels 1-2)	2	0	0.0	2	100.0
Skilled (Levels 3-5)	27	1	3.7	14	51.9
Highly skilled production (Levels 6-8)	71	0	0.0	50	70.4
Highly skilled supervision (Levels 9-12)	87	3	3.4	54	62.1
Senior management (Levels 13-16)	22	1	4.5	9	40.9
Total	209	5	2.4	129	61.7

Note: Promotions reflect the salary level of an employee after he/she was promoted.

Table 3.4.8: Promotions by critical occupation, 1 April 2017 to 31 March 2018

Critical Occupation	Employees as at 31 March 2017	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a critical occupation	Notch progressions as a % of total employees within a critical occupation
Economists	2	0	0.0	2	100.0
Total	2	0	0.0	2	100.0

Note: Promotions reflect the salary level of an employee after he/she was promoted.

3.5 Employment equity

Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2018

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	2	0	0	0	1	0	1	0	0	4
Senior management (Levels 13-14)	1	6	0	1	2	4	1	1	1	0	17
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	6	28	2	6	6	30	2	9	2	0	91
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	9	12	1	0	16	31	1	4	0	0	74
Semi-skilled and discretionary decision making (Levels 3-5)	2	5	1	1	5	12	0	1	0	0	27
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	1	1	0	0	0	0	3
Total	18	54	4	8	30	79	4	16	3	0	216
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	18	54	4	8	30	79	4	16	3	0	216

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

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

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

Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2018

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

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

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

Table 3.5.3: Recruitment, 1 April 2017 to 31 March 2018

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)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	2	1	2	1	3	1	2	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	2	0	0	1	5	1	1	0	0	12
Semi-skilled and discretionary decision making (Levels 3-5)	0	1	0	0	1	3	0	0	0	0	5
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
Total	3	6	1	2	3	11	2	3	0	0	31
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	3	6	1	2	3	11	2	3	0	0	31

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

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

Table 3.5.4: Promotions, 1 April 2017 to 31 March 2018

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	1	0	0	0	0	1
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	1	0	1	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making (Levels 3-5)	0	1	0	0	0	0	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 who have advanced to a higher post level within the Department, as per Table 3.4.7.

Table 3.5.5: Terminations, 1 April 2017 to 31 March 2018

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	2	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	4	1	0	0	2	1	1	0	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	2	0	0	2	2	1	0	0	0	9
Semi-skilled and discretionary decision making (Levels 3-5)	1	0	0	0	1	0	0	1	0	0	3
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
Total	3	6	1	0	3	6	2	2	0	0	23
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	3	6	1	0	3	6	2	2	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 2017 to 31 March 2018

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

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

Table 3.5.7: Skills development, 1 April 2017 to 31 March 2018

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	4	1	1	0	3	0	0	9
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	3	16	2	4	5	16	2	2	50
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	4	11	1	0	7	19	0	4	46
Semi-skilled and discretionary decision making (Levels 3-5)	1	5	1	1	4	6	0	1	19
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	0	0	0	0	1
Total	8	37	5	6	16	44	2	7	125
Temporary employees	0	0	0	0	0	0	0	0	0
Grand total	8	37	5	6	16	44	2	7	125

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

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

3.6 Signing of performance agreements by SMS members

Table 3.6.1: Signing of Performance Agreements by SMS Members, as at 31 May 2017

SMS Level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100%
Salary Level 15	1	1	1	100%
Salary Level 14	6	6	6	100%
Salary Level 13	14	14	14	100%
Total	22	22	22	100%

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

Table 3.6.2: Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2017

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

Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2017

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

3.7 Filling of SMS posts

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

Table 3.7.1: SMS posts information, as at 30 September 2017

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100%	0	0%
Salary Level 15	1	1	100%	0	0%
Salary Level 14	6	6	100%	0	0%
Salary Level 13	14	14	100%	0	0%
Total	22	22	100.0%	0	-

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12 but who are not SMS members have been excluded.

Table 3.7.2: SMS posts information, as at 31 March 2018

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100%	0	0%
Salary Level 15	3	3	100%	0	0%
Salary Level 14	4	4	100%	0	0%
Salary Level 13	14	13	92.9%	1	7.1%
Total	22	21	95.5%	1	4.5%

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12 but who are not SMS members have been excluded.

Table 3.7.3: Advertising and Filling of SMS posts, as at 31 March 2018

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	0	0	0
Salary Level 15	2	2	0
Salary Level 14	1	0	0
Salary Level 13	2	0	0
Total	5	2	0

Table 3.7.4: Reasons for not having complied with the filling of active vacant SMS posts - advertised within six months and filled within 12 months after becoming vacant

SMS Level	Reasons for non-compliance
Director-General/ Head of Department	N/A
Salary Level 15	N/A
Salary Level 14	N/A
Salary Level 13	N/A

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

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

3.8 Employee performance

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

Table 3.8.1: Notch progressions by salary band, 1 April 2017 to 31 March 2018

Salary bands	Employees as at 31 March 2017	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	2	2	100.0
Skilled (Levels 3-5)	27	14	51.9
Highly skilled production (Levels 6-8)	71	50	70.4
Highly skilled supervision (Levels 9-12)	87	54	62.1
Senior management (Levels 13-16)	22	9	40.9
Total	209	129	61.7

Table 3.8.2: Notch progressions by critical occupation, 1 April 2017 to 31 March 2018

Critical Occupations	Employees as at 31 March 2017	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Economists	2	2	100.0
Total	2	2	100.0

To encourage good performance, the Department has granted the following performance rewards to employees for the performance period 2016/17, but paid in the financial year 2017/18. 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 2017 to 31 March 2018

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	14	50	28.0	210	14 992
Male	9	20	45.0	142	15 812
Female	5	30	16.7	68	13 515
Coloured	39	125	31.2	967	24 794
Male	13	52	25.0	418	32 182
Female	26	73	35.6	549	21 100
Indian	1	10	10.0	18	17 824
Male	0	5	0.0	0	0
Female	1	5	20.0	18	17 824
White	3	20	15.0	31	10 314
Male	1	6	16.7	7	7 449
Female	2	14	14.3	23	11 747
Employees with a disability	1	4	25.0	18	18 091
Total	58	209	27.8	1 244	21 443

Table 3.8.4: Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2017 to 31 March 2018

Salary Bands	Beneficiary Profile			Cost		Cost as a % of the total personnel expenditure
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	
Lower skilled (Levels 1-2)	1	2	50.0	4	4 463	0.0
Skilled (Levels 3-5)	6	27	22.2	46	7 586	0.0
Highly skilled production (Levels 6-8)	20	71	28.2	267	13 373	0.3
Highly skilled supervision (Levels 9-12)	25	87	28.7	608	24 309	0.6
Total	52	187	27.8	925	17 792	1.0

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

Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2017 to 31 March 2018

Salary Bands	Beneficiary Profile			Cost		Cost as a % of the total personnel expenditure
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	
Senior Management Service Band A (Level 13)	2	14	14.3	76	38 194	0.3
Senior Management Service Band B (Level 14)	3	6	50.0	158	52 559	0.6
Senior Management Service Band C (Level 15)	0	1	0.0	0	0	0.0
Senior Management Service Band D (Level 16)	1	1	100.0	84	84 488	0.3
Total	6	22	27.3	318	53 092	1.3

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

Table 3.8.6: Performance rewards (cash bonus) by critical occupation, 1 April 2017 to 31 March 2018

Critical Occupation	Beneficiary Profile			Cost		Cost as a % of the total personnel expenditure
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	
Economists	1	2	50.0	33	32 726	0.0
Total	1	2	50.0	33	32 726	0.0

3.9 Foreign workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands (Table 3.9.1) and major occupation (Table 3.9.2). The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 3.9.1: Foreign Workers by salary band, 1 April 2017 to 31 March 2018

Salary Bands	1 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	2	66.7	2	66.7	0	0
Senior management (Levels 13-16)	1	33.3	1	33.3	0	0
Total	3	100	3	100	0	0

Note: The table above excludes non-citizens with permanent residence in the Republic of South Africa.

Table 3.9.2: Foreign Workers by major occupation, 1 April 2017 to 31 March 2018

Major Occupation	1 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% change
Researcher	1	33.3	1	33.3	0	0
Deputy Director	1	33.3	1	33.3	0	0
Director	1	33.3	1	33.3	0	0
Total	3	100	3	100	0	0

Note: The table above excludes non-citizens with permanent residence in the Republic of South Africa.

3.10 Leave utilisation for the period 1 January 2017 to 31 December 2017

The following tables provide an indication of the use of sick leave (Table 3.10.1) and incapacity leave (Table 3.10.2). In both instances, the estimated cost of the leave is also provided.

Table 3.10.1: Sick leave, 1 January 2017 to 31 December 2017

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)	120	65.8	29	33	87.9	4	24
Skilled (Levels 3-5)	190	84.2	23	30	76.7	8	118
Highly skilled production (Levels 6-8)	487	76.6	72	86	83.7	7	517
Highly skilled supervision (Levels 9-12)	554	74.7	83	97	85.6	7	994
Senior management (Levels 13-16)	83	68.7	19	23	82.6	4	227
Total	1 434	75.5	226	269	84.0	6	1 880

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. The three-year sick leave cycle started in January 2016 and ends in December 2018. The information in each case reflects the totals, excluding incapacity leave taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2.

Table 3.10.2: Incapacity leave, 1 January 2017 to 31 December 2017

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	33	0.0	0	0
Skilled (Levels 3-5)	0	0.0	0	30	0.0	0	0
Highly skilled production (Levels 6-8)	0	0.0	0	86	0.0	0	0
Highly skilled supervision (Levels 9-12)	0	0.0	0	97	0.0	0	0
Senior management (Levels 13-16)	0	0.0	0	23	0.0	0	0
Total	0	0.0	0	269	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: Annual Leave, 1 January 2017 to 31 December 2017

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Lower skilled (Levels 1-2)	365	42	9
Skilled (Levels 3-5)	552	29	19
Highly skilled production (Levels 6-8)	1 763	86	21
Highly skilled supervision (Levels 9-12)	2 091	96	22
Senior management (Levels 13-16)	552	23	24
Total	5 323	276	19

Table 3.10.4: Capped leave, 1 January 2017 to 31 December 2017

Salary Bands	Total capped leave available as at 31 Dec 2016	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 2017	Total capped leave available as at 31 Dec 2017
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	35	0	0	0	6	51
Highly skilled supervision (Levels 9-12)	357	6	1	6	14	300
Senior management (Levels 13-16)	93	0	0	0	4	93
Total	484	6	1	6	24	444

Note: It is possible for the total number of capped leave days to increase as employees who were promoted or transferred into the Department, retain their capped leave credits, which form part of that specific salary band and ultimately the departmental total.

Table 3.10.5: Leave pay-outs, 1 April 2017 to 31 March 2018

Reason	Total Amount (R'000)	Number of Incidents	Average payment per employee (R)
Leave pay-outs during 2016/17 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service	3	1	2 714
Current leave pay-outs on termination of service	107	11	9 687
Total	110	12	9 106

3.11 Health promotion programmes, including HIV and AIDS

Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2017 to 31 March 2018

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<p>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>	<p>HIV & AIDS Counselling and Testing (HCT) and Wellness screenings were conducted in general. The outsourced Health and Wellness contract for the Employee Health and Wellness Programme (EHWP) provides employees and their immediate family members (it means the spouse or partner of an employee or children living with an employee) with a range of services. These services include the following:</p> <ul style="list-style-type: none"> • 24/7/365 Telephone counselling; • Face to face counselling (Four session model); • Trauma and critical incident counselling; • Advocacy on HIV&AIDS awareness, including online E-Care services and • Training, coaching and targeted Interventions where these were required.

Table 3.11.2: Details of Health Promotion including HIV & AIDS Programmes, 1 April 2017 to 31 March 2018

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, 2016? If so, provide her/his name and position.	√		Ms Reygana Shade, Director: Organisational Behaviour, (Department of the Premier).
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to the eleven (11) departments, including the Department of Economic Development and Tourism.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the eleven (11) client departments.</p> <p>The unit consists of a Deputy Director (vacant from February 2018), three (3) Assistant Directors, and three (3) EHW Practitioners.</p> <p>Budget: R2.65 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 of the Premier has entered into a service level agreement with ICAS (external service provider) to render an Employee Health and Wellness Service to the eleven departments of the Corporate Services Centre (CSC).</p> <p>The following interventions were conducted: Addictive Behaviour, Resilience Training, Team Cohesion, Healthy and Happy Living, Sexual Abuse & Bullying, Effective Communication & Relationship Building, Mental Health Awareness, Financial Management, Work-Life Balance, Fitness Assessment, WOW exercise, Employee Information session, E-Care Information & Registration Desk, HCT and Wellness Screening and Coaching for managers.</p> <p>These interventions were planned based on the trends reported quarterly through the Employee Health and Wellness Programme (EHWP) reports provided by the service provider, ICAS, for the period 2017/18. 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 employees and managers.</p> <p>Information sessions were also provided to inform employees of the EHW service and how to access the Employee Health and Wellness Programme (EHWP). Promotional material such as pamphlets, posters and brochures were distributed.</p>
4. Has the Department established a committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>The Department of Economic Development and Tourism is represented by C. Julies and N. Smith.</p>

Table 3.11.2: Details of Health Promotion including HIV & AIDS Programmes, 1 April 2017 to 31 March 2018 (Continued)

Question	Yes	No	Details, if yes
<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>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>Whilst the four (4) Provincial Employee Health and Wellness Policies were ratified and approved during the previous financial year, the workplace practices are constantly monitored to ensure policy compliance and fairness.</p> <p>One of the policies, HIV & AIDS and TB Management, responds to the prevention of discrimination against employees affected and infected by HIV & AIDS and TB in the workplace.</p> <p>Further to this, the Department of Health, that is the lead department for HIV & AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the Western Cape 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 2017/22 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 to reduce the number of new HIV infections and the number of TB cases. Through expanded treatment and care services, the province aims to meet the 90-90-90 targets for both HIV and TB, as well as to achieve a 75% treatment success rate for drug-resistant TB.</p> <p>HIV 90-90-90 target, as recommended by UNAIDS, provides that by 2020:</p> <ul style="list-style-type: none"> • 90% of all people living with HIV will know their HIV status; • 90% of all people with an HIV diagnosis receive sustained antiretroviral therapy; and • 90% of all people receiving antiretroviral therapy achieve viral suppression. <p>TB 90-90-90 target provides for:</p> <ul style="list-style-type: none"> • 90% of vulnerable groups should have been screened or TB; • 90% of people with TB should be diagnosed and started on treatment; and 90% of those treated for TB should be cured. <p>Also, the Department has conducted HCT and Wellness screenings to ensure that every employee in the department is tested for HIV and screened for TB, at least annually.</p> <p>The aim was to:</p> <ul style="list-style-type: none"> • Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and • Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees. • Other key elements that addressed anti HIV and AIDS discrimination issues were: <ul style="list-style-type: none"> - Conducting Wellness and TB Screenings with specific requests from departments; - Distributing posters and pamphlets; - Providing HCT and TB Screenings, condom distribution and spot talks; and - Commemoration of World AIDS Day and Wellness events.

Table 3.11.2: Details of Health Promotion including HIV & AIDS Programmes, 1 April 2017 to 31 March 2018 (Continued)

Question	Yes	No	Details, if yes
<p>7. Does the Department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have you achieved.</p>	√		<p>HCT SESSIONS: 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 two HCT and Wellness screening sessions.</p> <p>73 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).</p> <p>There were 0 clinical referrals for TB, HIV, STIs or any other similar condition.</p>
<p>8. Has the Department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.</p>	√		<p>The impact of health promotion programmes is indicated through information provided through the Employee Health and Wellness Contract (external service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by (ICAS). The most recent annual health review period was 1 April 2017 – 31 March 2018.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, number of cases, etc.</p> <p>The review further provides, amongst others, details pertaining to service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the workplace.</p>

3.12 Labour relations

The following provincial collective agreements were entered into with trade unions for the period under review.

Table 3.12.1: Collective agreements, 1 April 2017 to 31 March 2018

Total collective agreements
None

Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the Department for the period.

Table 3.12.2: Misconduct and disciplinary hearings finalised, 1 April 2017 to 31 March 2018

Outcomes of disciplinary hearings	Number of cases finalised	% of total
	None	

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

Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2017 to 31 March 2018

Type of misconduct	Number	% of total
	None	

Table 3.12.4: Grievances lodged, 1 April 2017 to 31 March 2018

Grievances lodged	Number	% of total
Number of grievances resolved	2	66.7
Number of grievances not resolved	1	33.3
Total number of grievances lodged	3	100.0

Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances not resolved refers to cases finalised but where the outcome was not in favour of the aggrieved and found to be unsubstantiated.

Table 3.12.5: Disputes lodged with Councils, 1 April 2017 to 31 March 2018

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	1	33.3
Number of disputes dismissed	2	66.7
Total number of disputes lodged	3	100.0

Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC). When a dispute is “upheld”, it means that the Council endorses the appeal as legitimate and credible in favour of the aggrieved. When a dispute is “dismissed”, it means that the Council is not ruling in favour of the aggrieved.

Table 3.12.6: Strike actions, 1 April 2017 to 31 March 2018

Strike actions	Number
Total number of person working days lost	1
Total cost of working days lost	R843.05
Amount recovered as a result of no work no pay	0

Table 3.12.7: Precautionary suspensions, 1 April 2017 to 31 March 2018

Precautionary suspensions	Number
	None

Note: Precautionary suspensions refer to staff who were suspended with full pay, whilst the case was being investigated.

3.13 Skills development

This section highlights the efforts of the Department with regard to skills development. Table 3.13.1 reflect the training needs as at the beginning of the period under review and Table 3.13.2 the actual training provided.

Table 3.13.1: Training needs identified, 1 April 2017 to 31 March 2018

Occupational Categories	Gender	Number of employees as at 1 April 2017	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	12	0	16	0	16
	Male	10	0	16	0	16
Professionals	Female	43	0	95	0	95
	Male	43	0	101	0	101
Technicians and associate professionals	Female	50	0	148	0	148
	Male	22	0	58	0	58
Clerks	Female	17	0	49	0	49
	Male	10	0	46	0	46
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	4	0	0	0	0
	Male	5	0	5	0	5
Sub Total	Female	126	0	308	0	308
	Male	90	0	226	0	226
Total		216	0	534	0	534
Employees with disabilities	Female	2	0	0	0	0
	Male	2	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 2017 to 31 March 2018

Occupational Categories	Gender	Number of employees as at 31 March 2018	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	5	0	5
	Male	11	0	7	0	7
Professionals	Female	47	0	36	0	36
	Male	44	0	32	0	32
Technicians and associate professionals	Female	52	0	50	0	50
	Male	22	0	26	0	26
Clerks	Female	18	0	19	0	19
	Male	9	0	20	0	20
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	2	0	0	0	0
	Male	1	0	2	0	2
Sub Total	Female	129	0	110	0	110
	Male	87	0	87	0	87
Total		216	0	197	0	197
Employees with disabilities	Female	2	0	0	0	0
	Male	2	0	0	0	0

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

3.14 Injury on duty

This section provides basic information on injuries sustained whilst being on official duty.

Table 3.14.1: Injury on duty, 1 April 2017 to 31 March 2018

Nature of injury on duty	Number	% of total
	None	

3.15 Utilisation of consultants

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
ADMINISTRATION: CORPORATE SERVICES	CopyCat Communications	Annual Report 2016/2017	Typesetting, Design, Layout and printing of the Annual Report 2016/17	1	August 2017 - March 2018	113 691	1	1	4
IEDS: MES	Business Engineering Pty (LTD)	MS2B: Building	MS2B: Building Control Portal Project is an improvement initiative that addresses optimising the building control environment in municipalities through the establishment of a web-based portal that allows applications to be lodged online that link to the workflow process of the municipality. This intervention promotes an increased rate at which building plans are assessed and approved at municipal level and allows the municipality to move to a paperless environment resulting in business saving costs due to a reduction in time and procedures.	1	December 2017 - February 2018	1 194 993	1	10	4

3.15 Utilisation of consultants (continued)

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
IEDS: MES	Business Engineering Pty Ltd	MS2B: Building Control Digitised Workflow	MS2B: Building Control Digitised Workflow Project is an improvement initiative that addresses optimising the building control environment in a minimum of four (4) municipalities through the ICT assessment and customisation of digital improvements that underpin the workflow processing of building application and approvals. In the longer-term building control intervention, Phase 1 is landing the Portal that addresses the 'Receive Application Stage'. This project is Phase 2 that addresses digitising the start of the 'Review Stage' of applications that informs approvals.	1	November - December 2017	1 999 558	1	10	4

3.15 Utilisation of consultants (continued)

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
IEDS: MES	Business Engineering Pty Ltd	MS2B: Knysna Event & Film Automated Workflow	MS2B: Event and Film Automated Workflow Project aims to streamline is an improvement initiative in the event and film permitting and management process that will promote a greater basket (and so also revenue) of events and film opportunities in regions. In 2016 Knysna established an online, web-based portal that allows applications of this nature to be lodged and in 2017 with Departmental support, it will digitise the workflow of the full back-office end-to-end support service for seamless approvals and feedback with authorities. This project presents an opportunity to significantly improve the turn-around time for event and film applications and reinforce that regions are serious about the provision of a business-friendly environment and the optimal leveraging of tourism potential.	1	February - March 2018	296 400	1	4	4

3.15 Utilisation of consultants (continued)

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
IEDS: MES	Brasika (PTY) LTD	MS2B Investment Readiness Implementation Plan	MS2B Investment Readiness Project aims to assist and provide local government with the development of an effective investment facilitation SOP. This intends to create uniform investment promotion and facilitation processes and procedures in order to attract new investors and retain existing ones. The Investment Facilitation Guideline for investors on how to land their ventures, a comprehensive Policy Brief that contains Policy Statements to inform future investment facilitation and a streamlined Investment Facilitation by-law plan intends to realize real investment opportunities that stimulates economic development and results in jobs.	1	February - March 2018	178 663	1	2	4

3.15 Utilisation of consultants (continued)

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
IEDS: ENTERPRISE DEVELOPMENT	Government Technical Advisory Centre (GTAC)	Western Cape Economic Procurement Policy Brief	Development of the Economic Procurement Policy to inform the drafting of the Economic Procurement Policy.	2	January - April 2017	395 992	1	2	N/A
IEDS: ENTERPRISE DEVELOPMENT	Greenhouse Business Development	The Halal Supplier Development Strategy	Provide a detailed and practical strategy to assist SMEs to unlock business opportunities in the various levels of the Halal value chain.	1	December 2016 - July 2017	125 000	1	5	1
IEDS: ENTERPRISE DEVELOPMENT	Executhink	Oil and Gas (Contractor Development) Programme	Assessment of businesses and development of improvement plans.	1	September - October 2017	796 150	1	3	1
IEDS: ENTERPRISE DEVELOPMENT	H2P Project Management	PERA 2017 Adjudication	PERA 2017 Adjudication to coordinate and manage and implement the PERA 2017 competition from participants entry stage through to the adjudication and selection of winners.	1	June - December 2017	360 000	1	1	4
IEDS: ENTERPRISE DEVELOPMENT	G and D Guesthouse cc	Procurement Promotion: Strategic Sourcing	Procurement of a service provider accredited with CATHSSETA to provide bespoke and practical training for a group of businesses in the catering industry.	1	September - October 2017	182 400	1	Cannot establish	1
IEDS: ENTERPRISE DEVELOPMENT	Agri-processing	Supplier Development Programme	The project aims to assist agri-processing SME's in the Western Cape to identify and take up opportunities primarily within the Halal and associated sectors.	3	1 April 2017 - 31 March 2018	57 198.99	1	3	N/A

3.15 Utilisation of consultants (continued)

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
IEDS: RED TAPE	Stratecon	Red Tape Costing Tool	For the development of a Red Tape Impact Assessment Instrument.	1	January – March 2018	544 635	1	3	4
TRADE & SECTOR DEVELOPMENT: AGRICULTURE PROCESSING	WCFFI (Western Cape Fine Food Initiative)	Halal Industrial Park Phase 2	To procure a service provider to develop a comprehensive feasibility study for the establishment of Halal Industrial Park (HIP) in the Western Cape.	2	August 2016 – 31 March 2017	1 783 500	1	Cannot establish	4
ECONOMIC PLANNING: GREEN ECONOMY	e-Science	LNG	Gas demand in transport sector.	1	November 2017 – March 2018	150 000	1	1	N/A
ECONOMIC PLANNING: BROADBAND FOR THE ECONOMY	Neotel	Public Wi-Fi at Government Site	Implementation of Public Wi-Fi hotspots at Western Cape Government Building. Target is one in every ward. To date 178 have been completed.	Cannot establish	March 2016 – March 2018	6 574 240	1	Cannot establish	4

3.15 Utilisation of consultants (continued)

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
ECONOMIC PLANNING: BROADBAND FOR THE ECONOMY	Computers 4 Kids	Internet Champion Programme Digital Literacy Content	Training and deployment of Internet Champions at Wi-Fi hotspot sites to deliver basic digital literacy to citizens.	1	April 2017 - March 2018	3 050 388	1	80	4
ECONOMIC PLANNING: ENABLING GROWTH INFRASTRUCTURE AND INITIATIVE	Government Technical Advisory Centre (GTAC)	Business Case for the creation and listing of a special entity	The project is to develop a business case that will be submitted to National Treasury for evaluation/assessment process with regard to the proposed entity. The business case must satisfy National Treasury approval requirements to create, list and classify the Western Cape special economic infrastructure company a Provincial 3D SOE.	1	March 2018	49 986	1	1	N/A
ECONOMIC PLANNING: GREEN ECONOMY	Prof. James Petrie	LNG	The project aims at achieving energy security and energy price stability in order to improve the competitiveness of the industry in the region. In this regard, it seeks to promote the importation of Liquefied Natural Gas into the province as a means of diversifying energy supply options.	1	April 2016 - March 2018	688 754	1	1	N/A

3.15 Utilisation of consultants (continued)

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
ECONOMIC PLANNING: ENABLING GROWTH INFRASTRUCTURE AND INITIATIVE	CITI	Content Stimulation/ Gamification	Project Management: project aims to firstly develop a single resource for Government officials to improve their knowledge of the innovation realm which includes Innovation landscape, Procurement of innovation, value chain analysis and Benchmark good practice case studies.	1	October 2016 - March 2018	1 313 000	1	5	1
ECONOMIC PLANNING: GREEN ECONOMY	The GreenCape Sect Dev Agency	USTDA Grantee	Project Management: To play the grantee role in the project and carry out functions as required by USTDA with support from the Energy Unit.	1	March 2018	200 000	1	1	1
ECONOMIC PLANNING: BROADBAND FOR THE ECONOMY	CITI	I-Can Play	Project management and implementation of a pay-for-play entrepreneurial model to establish gaming facilities in disadvantaged communities (AHR-GC).	1	December 2017 - March 2018	361 151	1	3	1
SECTOR DEVELOPMENT	Afmas Research Solutions	Halal Certification	Research on Halal Certification.	1	February 2018 - March 2018	245 000	1	9	1
ECONOMIC PLANNING: GREEN ECONOMY	Conningarth Economists	Water Crisis Impact Study	Water Crisis Impact Study.	1	January 2018 – 31 May 2018	300 000	1	1	1

3.15 Utilisation of consultants (continued)

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
ECONOMIC PLANNING: BROADBAND FOR THE ECONOMY	Traction	Digital Business Toolkit Ecosystem	Project Management and Implementation of Phase 2 of the Digital Business Toolkit project. The project will assist SMMEs through the use of technology and broadband access through tools and skills to increase their operational efficiency and access to existing and new markets.	1	December 2017 – March 2018	2 263 127	1	5	4
ECONOMIC PLANNING: BROADBAND FOR THE ECONOMY	Winds of Change	Dash-Tech: Ed-Tech	Research and strategy development through the identification of problems in e-education and development and testing of solutions through a challenge methodology. Support for CITI's Injini EdTech incubator.	1	December 2017 – March 2018	495 900	2	2	4
ECONOMIC PLANNING: BROADBAND FOR THE ECONOMY	Winds of Change	Dash-Tech: Securi-Tech	Research and strategy development through the identification of problems in safety and security and development and testing of solutions through a challenge methodology.	2	February – March 2018	281 792	1	2	4

3.15 Utilisation of consultants (continued)

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
ECONOMIC PLANNING: ENABLING GROWTH INFRASTRUCTURE & INITIATIVE	Wesgro	Cape Health Technology Park	Cape Health Technology Park.	Cannot establish	April – March 2018	2 000 000	1	Cannot establish	N/A
ECONOMIC PLANNING: ENABLING GROWTH INFRASTRUCTURE & INITIATIVE	CCDI	Better Living Challenge	Design and systems thinking project management.	1	April – March 2018	499 980	1	5	N/A
ECONOMIC PLANNING: GREEN ECONOMY	Green Cape	Atlantis SEZ	Establishment of the Special Economic Development Infrastructure Company and Management of the Atlantis Special Economic Zone.	1	18 August 2017 – 31 March 2018	5 700 000	1	1	N/A
ADMINISTRATION: CORPORATE SERVICES	Umlingani	Solar PV Campaign	Solar PV Campaign: Research	1	August 2017 – August 2018	250 000	1	1	N/A
ECONOMIC PLANNING GREEN ECONOMY	CHEC	Development of a Curriculum	Facilitation and Development of Energy Efficiency Curriculum	1	2 August 2017 – 15 December 2017	50 000	1	1	N/A

3.15 Utilisation of consultants (continued)

Table 3.15.1: Consultant appointments using appropriated funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
TOURISM, ARTS & ENTERTAINMENT: TOURISM SECTOR TRANSFORMATION	Koketso Growth	Madiba Legacy Tourism Route (Statue)	Design, manufacture and install a Nelson Mandela Statue on balcony of the Cape Town City Hall.	1	December 2017 - August 2018	888 520	1	2	1
SKILLS DEVELOPMENT AND INNOVATION: PROVINCIAL SKILLS AND PARTNERSHIP	Business Connexion (Pty) Ltd	E-Skills Platform	To design and develop appropriate platforms that forms part of the broadband-enabled Skills Cloud ecosystem. This will be utilised to enable the Provincial Skills Forum to increase the reach, capacity and accessibility of skills development interventions by utilizing improved broadband.	1	May 2017 - January 2018	1 726 747	1	3	3
SKILLS DEVELOPMENT AND INNOVATION: PROVINCIAL SKILLS AND PARTNERSHIP	Mirum	E-Skills: Website User Experience Evaluation	To procure the services of a professional UX company to evaluate the current e-skills platform and to recommend alignments to other Game Changer and WCG website.	1	June - July 2017	499 092	1	4	N/A

3.15.2: Consultant appointments using Donor funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Work Days/	Contract value in Rand	Total number of projects	Total individual consultants	BBBEE level
				None					



Part E: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE NO. 12: WESTERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

Report on the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Department of Economic Development and Tourism set out on pages 183 to 262, which comprise the appropriation statement, the statement of financial position as at 31 March 2018 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Economic Development and Tourism as at 31 March 2018 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

Basis for opinion

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

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2017 have been restated as a result of errors discovered during the 2017-18 financial year in the financial statements of the Department for the year ended 31 March 2018.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 263 to 272 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 on them.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by the National Treasury and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the Western Cape Department of Economic Development and Tourism's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the Department or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2018:

Programme	Pages in the annual performance report
Programme 5 – Economic Planning	86 – 98
Programme 7 – Skills Development and Innovation	107 – 114

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 5 – Economic Planning
 - Programme 7 – Skills Development and Innovation

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 86 to 98 and 107 to 114 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a significant number of targets.

Report on the audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the Department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

23. The Department's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
25. In connection with my audit, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
27. I have nothing to report in this regard.

Internal control deficiencies

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



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Auditor - General

Cape Town
31 July 2018

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

Financial statements

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

Communication with those charged with governance

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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APPROPRIATION STATEMENT for the year ended 31 March 2018

Appropriation per programme											
Programme	2017/18						2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
1. Administration	58 302	-	239	58 541	58 067	474	99.2%	52 314	51 656		
2. Integrated Economic Development Services	35 792	-	2 500	38 292	37 174	1 118	97.1%	42 283	41 661		
3. Trade and Sector Development	51 853	-	(423)	51 430	49 542	1 888	96.3%	56 653	55 591		
4. Business Regulation and Governance	11 569	-	(500)	11 069	10 600	469	95.8%	10 911	10 479		
5. Economic planning	130 323	-	(750)	129 573	129 350	223	99.8%	298 347	296 135		
6. Tourism, Arts and Entertainment	56 960	-	(2 930)	54 030	53 397	633	98.8%	49 956	49 342		
7. Skills Development and Innovation	60 545	-	1 864	62 409	61 173	1 236	98.0%	62 802	54 522		
TOTAL	405 344	-	-	405 344	399 303	6 041	98.5%	573 266	559 386		
Reconciliation with statement of financial performance											
ADD											
Departmental receipts				4 126				775			
Aid assistance				5 730				14 771			
Actual amounts per statement of financial performance (total revenue)				415 200				588 812			
ADD											
Aid assistance					14 150						13 900
Actual amounts per statement of financial performance (total expenditure)					413 453						573 286

APPROPRIATION STATEMENT for the year ended 31 March 2018

Economic classification	Appropriation per economic classification										
	2017/18						2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000		
Current payments	221 042	6 421	(1 675)	225 788	221 616	4 172	98.1%	232 375	223 186		
Compensation of employees	118 055	-	-	118 055	115 365	2 690	97.7%	108 525	104 660		
Salaries and wages	106 194	(1 523)	-	104 671	102 258	2 413	97.7%	96 371	92 969		
Social contributions	11 861	1 523	-	13 384	13 107	277	97.9%	12 154	11 691		
Goods and services	102 987	6 421	(1 675)	107 733	106 251	1 482	98.5%	123 850	118 526		
Administrative fees	289	96	-	385	325	60	84.4%	286	264		
Advertising	12 804	504	67	13 375	13 018	357	97.3%	9 948	9 861		
Minor assets	351	156	-	507	459	48	88.8%	456	418		
Audit costs: External	2 574	(250)	-	2 324	2 324	-	100.0%	3 093	3 093		
Bursaries: Employees	300	52	-	352	352	-	100.0%	307	299		
Catering: Departmental activities	1 074	117	(21)	1 170	1 085	85	92.7%	1 118	1 043		
Communication	874	75	(2)	947	890	57	94.0%	935	778		
Computer services	5 791	1 041	(194)	6 638	6 576	62	99.1%	9 529	9 029		
Consultants: Business and advisory services	34 751	4 115	(2 887)	35 979	35 616	363	98.8%	53 622	50 287		
Legal services	-	-	-	-	-	-	-	265	265		
Contractors	2 847	523	(109)	3 261	3 238	23	99.3%	1 279	1 259		
Agency and support/outsource services	769	62	-	831	831	-	100.0%	1 943	1 942		
Entertainment	93	(39)	3	57	37	20	64.9%	71	44		
Fleet services	421	92	-	513	513	-	100.0%	485	486		
Inventory: Clothing material and accessories	1	-	-	1	-	1	-	-	-		
Consumable supplies	517	211	(30)	698	676	22	96.8%	471	436		
Consumable: Stationery, printing and office supplies	1 269	(73)	(71)	1 125	1 012	113	90.0%	1 255	1 004		
Operating leases	528	10	-	538	518	20	96.3%	581	557		
Property payments	3	57	-	60	59	1	98.3%	110	106		
Transport provided: Departmental activity	30	-	-	30	25	5	83.3%	-	-		
Travel and subsistence	3 076	(285)	(109)	2 682	2 566	116	95.7%	2 544	2 271		
Training and development	30 808	52	2 027	32 887	32 825	62	99.8%	33 033	32 821		
Operating payments	1 871	(7)	(214)	1 650	1 594	56	96.6%	1 193	1 082		
Venues and facilities	1 168	(32)	(135)	1 001	991	10	99.0%	690	551		
Rental and hiring	778	(56)	-	722	721	1	99.9%	636	630		

APPROPRIATION STATEMENT for the year ended 31 March 2018

Appropriation per economic classification										
	2017/18					2016/17				
	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	
Transfers and subsidies	177 285	(6 969)	1 675	171 991	171 579	412	99.8%	270 898	266 329	
Provinces and municipalities	1 500	-	-	1 500	1 500	-	100.0%	-	-	
Municipalities	1 500	-	-	1 500	1 500	-	100.0%	-	-	
Municipal bank accounts	1 500	-	-	1 500	1 500	-	100.0%	-	-	
Departmental agencies and accounts	125 634	(800)	-	124 834	124 833	1	100.0%	204 154	204 154	
Departmental agencies and accounts	125 634	(800)	-	124 834	124 833	1	100.0%	204 154	204 154	
Public corporations and private enterprises	3 750	(175)	-	3 575	3 530	45	99.0%	2 736	2 735	
Private enterprises	3 750	(175)	-	3 575	3 530	45	99.0%	2 736	2 735	
Other transfers to public corporations	3 750	(175)	-	3 575	3 530	45	99.0%	2 736	2 735	
Non-profit institutions	34 311	(5 700)	2 000	30 611	30 611	-	100.0%	50 325	50 325	
Households	12 090	(294)	(325)	11 471	11 105	366	96.8%	13 683	9 115	
Social benefits	31	51	-	82	110	(28)	134.1%	170	170	
Other transfers to households	12 059	(345)	(325)	11 389	10 995	394	96.5%	13 518	8 945	
Payments for capital assets	6 917	533	-	7 450	5 997	1 453	79.4%	4 816	4 695	
Machinery and equipment	4 440	930	-	5 370	5 348	22	99.6%	4 508	4 393	
Transport equipment	2 390	(385)	-	2 005	2 005	-	100.0%	1 775	1 773	
Other machinery and equipment	2 050	1 115	-	3 165	3 143	22	99.3%	2 733	2 620	
Intangible assets	2 477	(397)	-	2 080	649	1 431	31.2%	18	12	
Payments for financial assets	100	15	-	115	111	4	96.5%	65 177	65 176	
Total	405 344	-	-	405 344	399 303	6 041	98.5%	573 266	559 386	

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 1: Administration		2017/18							2016/17	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Sub-programme										
1. Office of the HOD	5 926	129	-	6 055	6 054	1	100.0%	7 926	7 417	
2. Financial Management	32 323	(577)	-	31 746	31 610	136	99.6%	26 714	26 714	
3. Corporate Services	20 053	448	239	20 740	20 403	337	98.4%	17 674	17 525	
Total	58 302	-	239	58 541	58 067	474	99.2%	52 314	51 656	
Economic classification										
Current payments	53 839	(157)	239	53 921	53 456	465	99.1%	50 080	49 421	
Compensation of employees	35 902	-	423	36 325	36 324	1	100.0%	34 003	33 492	
Salaries and wages	31 950	(523)	423	31 850	31 849	1	100.0%	29 965	29 455	
Social contributions	3 952	523	-	4 475	4 475	-	100.0%	4 038	4 037	
Goods and services	17 937	(157)	(184)	17 596	17 132	464	97.4%	16 077	15 929	
Administrative fees	101	(3)	-	98	55	43	56.1%	125	113	
Advertising	8 772	(496)	-	8 276	8 104	172	97.9%	7 043	6 960	
Minor assets	210	125	-	335	305	30	91.0%	66	66	
Audit costs: External	2 574	(250)	-	2 324	2 324	-	100.0%	3 093	3 093	
Bursaries: Employees	300	52	-	352	352	-	100.0%	307	299	
Catering: Departmental activities	122	81	-	203	192	11	94.6%	115	110	
Communication	335	63	-	398	377	21	94.7%	262	262	
Computer services	566	522	-	1 088	1 088	-	100.0%	927	926	
Consultants: Business and advisory services	-	114	-	114	114	-	100.0%	163	163	
Legal services	-	-	-	-	-	-	-	64	64	
Contractors	479	(81)	(59)	339	323	16	95.3%	110	110	
Agency and support/outourced services	15	26	-	41	41	-	100.0%	-	-	
Entertainment	22	(4)	-	18	6	12	33.3%	15	15	
Fleet services	421	92	-	513	513	-	100.0%	485	486	
Inventory: Clothing material and accessories	1	-	-	1	-	1	-	-	-	

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 1: Administration (continued)		2017/18							2016/17	
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual expenditure R'000
Consumable supplies	265	181	-	446	440	6	98.7%	107	106	
Consumable: Stationery, printing and office supplies	612	4	-	616	534	82	86.7%	423	423	
Operating leases	164	4	-	168	163	5	97.0%	178	178	
Property payments	-	-	-	-	-	-	-	106	104	
Transport provided: Departmental activity	5	-	-	5	-	5	-	-	-	
Travel and subsistence	572	(179)	-	393	366	27	93.1%	398	398	
Training and development	1 468	(565)	-	903	879	24	97.3%	1 079	1 077	
Operating payments	543	207	-	750	749	1	99.9%	597	562	
Venues and facilities	375	(54)	(125)	196	188	8	95.9%	59	59	
Rental and hiring	15	4	-	19	19	-	100.0%	355	355	
Transfers and subsidies	27	30	-	57	57	-	100.0%	35	35	
Departmental agencies and accounts	3	-	-	3	3	-	100.0%	3	3	
Departmental agencies	3	-	-	3	3	-	100.0%	3	3	
Households	24	30	-	54	54	-	100.0%	32	32	
Social benefits	24	30	-	54	54	-	100.0%	32	32	
Payments for capital assets	4 385	123	-	4 508	4 500	8	99.8%	2 124	2 125	
Machinery and equipment	4 285	215	-	4 500	4 500	-	100.0%	2 122	2 123	
Transport equipment	2 390	(385)	-	2 005	2 005	-	100.0%	1 572	1 572	
Other machinery and equipment	1 895	600	-	2 495	2 495	-	100.0%	550	551	
Intangible assets	100	(92)	-	8	-	8	-	2	2	
Payments for financial assets	51	4	-	55	54	1	98.2%	75	75	
Total	58 302	-	239	58 541	58 067	474	99.2%	52 314	51 656	

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

APPROPRIATION STATEMENT for the year ended 31 March 2018

Economic classification		2017/18							2016/17	
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	5 916	68	-	5 984	5 983	1	100.0%	7 835	7 325	
Compensation of employees	5 594	(52)	-	5 542	5 542	-	100.0%	7 343	6 834	
Goods and services	322	120	-	442	441	1	99.8%	492	491	
Payments for capital assets	10	61	-	71	71	-	100.0%	71	72	
Machinery and equipment	10	61	-	71	71	-	100.0%	71	72	
Payments for financial assets	-	-	-	-	-	-	-	20	20	
Total	5 926	129	-	6 055	6 054	1	100.0%	7 926	7 417	

APPROPRIATION STATEMENT for the year ended 31 March 2018

1.2 Financial Management		2017/18										2016/17	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure			
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000		
Current payments	28 036	(764)	-	27 272	27 142	130	99.5%	24 827	24 827	24 827			
Compensation of employees	20 674	(489)	-	20 185	20 184	1	100.0%	18 177	18 176	18 176			
Goods and services	7 362	(275)	-	7 087	6 958	129	98.2%	6 650	6 651	6 651			
Transfers and subsidies	24	30	-	54	54	-	100.0%	27	27	27			
Departmental agencies and accounts	3	-	-	3	3	-	100.0%	3	3	3			
Households	21	30	-	51	51	-	100.0%	24	24	24			
Payments for capital assets	4 212	156	-	4 368	4 363	5	99.9%	1 809	1 809	1 809			
Machinery and equipment	4 207	156	-	4 363	4 363	-	100.0%	1 807	1 807	1 807			
Intangible assets	5	-	-	5	-	5	-	2	2	2			
Payments for financial assets	51	1	-	52	51	1	98.1%	51	51	51			
Total	32 323	(577)	-	31 746	31 610	136	99.6%	26 714	26 714	26 714			

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

APPROPRIATION STATEMENT for the year ended 31 March 2018

Economic classification		2017/18							2016/17	
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	19 887	539	239	20 665	20 331	334	98.4%	17 418	17 269	
Compensation of employees	9 634	541	423	10 598	10 598	-	100.0%	8 483	8 482	
Goods and services	10 253	(2)	(184)	10 067	9 733	334	96.7%	8 935	8 787	
Transfers and subsidies	3	-	-	3	3	-	100.0%	8	8	
Households	3	-	-	3	3	-	100.0%	8	8	
Payments for capital assets	163	(94)	-	69	66	3	95.7%	244	244	
Machinery and equipment	68	(2)	-	66	66	-	100.0%	244	244	
Intangible assets	95	(92)	-	3	-	3	-	-	-	
Payments for financial assets	-	3	-	3	3	-	100.0%	4	4	
Total	20 053	448	239	20 740	20 403	337	98.4%	17 674	17 525	

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 2: Integrated Economic Development Services									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. Enterprise Development	18 670	1 721	2 000	22 391	22 314	77	99.7%	23 747	23 496
2. Regional and Local Economic Development	7 357	(86)	-	7 271	6 828	443	93.9%	6 537	6 415
3. Red Tape	9 765	(1 635)	500	8 630	8 032	598	93.1%	11 999	11 750
Total	35 792	-	2 500	38 292	37 174	1 118	97.1%	42 283	41 661
Economic classification									
Current payments	29 984	111	500	30 594	30 091	503	98.3%	31 710	31 104
Compensation of employees	18 010	-	-	18 010	17 602	408	97.7%	16 613	16 184
Salaries and wages	16 667	(714)	-	15 953	15 545	408	97.4%	14 703	14 324
Social contributions	1 343	714	-	2 057	2 057	-	100.0%	1 910	1 860
Goods and services	11 974	110	500	12 584	12 489	95	99.2%	15 097	14 920
Administrative fees	45	11	-	56	49	7	87.5%	38	38
Advertising	30	146	-	176	174	2	93.3%	1 048	1 044
Minor assets	42	74	-	116	112	4	88.9%	22	19
Catering: Departmental activities	644	47	9	700	686	14	98.0%	543	542
Communication	101	7	6	114	104	10	91.2%	105	100
Computer services	624	(24)	-	600	599	1	99.8%	3	4
Consultants: Business and advisory services	6 117	(319)	344	6 142	6 130	12	99.8%	8 812	8 791
Legal services	-	-	-	-	-	-	-	201	201
Contractors	813	33	-	846	845	1	99.9%	1 096	1 095
Agency and support/outourced services	154	-	-	154	154	-	100.0%	471	470

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 2: Integrated Economic Development Services (continued)											
2017/18											2016/17
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Entertainment	15	3	3	21	17	4	81.0%	18	17	17	17
Consumable supplies	56	(2)	-	54	48	6	88.9%	185	177	177	177
Consumable: Stationery, printing and office supplies	108	5	-	113	113	-	100.0%	204	198	198	198
Operating leases	45	3	-	48	48	-	100.0%	70	48	48	48
Travel and subsistence	442	95	53	590	571	19	96.8%	571	496	496	496
Training and development	1 291	32	-	1 323	1 315	8	99.4%	1 025	1 019	1 019	1 019
Operating payments	107	(16)	85	176	171	5	97.2%	78	66	66	66
Venues and facilities	577	75	-	652	651	1	99.8%	364	357	357	357
Rental and hiring	763	(60)	-	703	702	1	99.9%	243	238	238	238
Transfers and subsidies	4 850	(520)	2 000	6 330	6 285	45	99.4%	9 126	9 120	9 120	9 120
Departmental agencies and accounts	-	-	-	-	-	-	-	2 900	2 900	2 900	2 900
Departmental agencies	-	-	-	-	-	-	-	2 900	2 900	2 900	2 900
Public corporations and private enterprises	3 750	(175)	-	3 575	3 530	45	99.0%	2 696	2 695	2 695	2 695
Private enterprises	3 750	(175)	-	3 575	3 530	45	99.0%	2 696	2 695	2 695	2 695
Other transfers to private enterprises	3 750	(175)	-	3 575	3 530	45	99.0%	2 696	2 695	2 695	2 695
Non-profit institutions	-	-	2 000	2 000	2 000	-	100.0%	1 500	1 500	1 500	1 500
Households	1 100	(345)	-	755	755	-	100.0%	2 030	2 025	2 025	2 025
Other transfers to households	1 100	(345)	-	755	755	-	100.0%	2 030	2 025	2 025	2 025

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 2: Integrated Economic Development Services (continued)											
2017/18											2016/17
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Payments for capital assets	943	410	-	1 353	783	570	39.6%	1 433	1 423		
Machinery and equipment	73	711	-	784	783	1	99.7%	1 140	1 132		
Other machinery and equipment	73	711	-	784	783	1	99.7%	1 140	1 132		
Intangible assets	870	(301)	-	569	-	569	-	3	1		
Payments for financial assets	15	-	-	15	15	-	100.0%	14	14		
Total	35 792	-	2 500	38 292	37 174	1 118	97.1%	42 283	41 661		

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

APPROPRIATION STATEMENT for the year ended 31 March 2018

2.1: Enterprise Development		2017/18							2016/17		
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Current payments	13 816	1 911	-	15 727	15 695	32	99.8%	16 042	15 794		
Compensation of employees	7 893	1 889	-	9 782	9 780	2	100.0%	9 676	9 547		
Goods and services	5 923	22	-	5 945	5 915	30	99.5%	6 366	6 247		
Transfers and subsidies	4 850	(600)	2 000	6 250	6 205	45	99.4%	6 471	6 470		
Departmental agencies and accounts	-	-	-	-	-	-	-	400	400		
Public corporations and private enterprises	3 750	(175)	-	3 575	3 530	45	99.0%	2 546	2 545		
Non-profit institutions	-	-	2 000	2 000	2 000	-	100.0%	1 500	1 500		
Households	1 100	(425)	-	675	675	-	100.0%	2 025	2 025		
Payments for capital assets	4	410	-	414	414	-	100.0%	1 220	1 218		
Machinery and equipment	4	410	-	414	414	-	100.0%	929	927		
Intangible assets	-	-	-	-	-	-	-	291	290		
Payments for financial assets	-	-	-	-	-	-	-	14	14		
Total	18 670	1 721	2 000	22 391	22 314	77	99.7%	23 747	23 496		

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

APPROPRIATION STATEMENT for the year ended 31 March 2018

2.2: Regional and Local Economic Development											
Economic classification	2017/18						2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	7 338	(166)	-	7 172	6 729	443	93.8%	6 513	6 398		
Compensation of employees	3 188	(54)	-	3 134	2 751	383	87.8%	3 015	2 938		
Goods and services	4 150	(112)	-	4 038	3 978	60	98.5%	3 498	3 460		
Transfers and subsidies	-	80	-	80	80	-	100.0%	-	-		
Households	-	80	-	80	80	-	100.0%	-	-		
Payments for capital assets	19	-	-	19	19	-	100.0%	24	17		
Machinery and equipment	19	-	-	19	19	-	100.0%	23	17		
Intangible assets	-	-	-	-	-	-	-	1	-		
Total	7 357	(86)	-	7 271	6 828	443	93.9%	6 537	6 415		

APPROPRIATION STATEMENT for the year ended 31 March 2018

Economic classification		2017/18							2016/17	
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	8 830	(1 635)	500	7 695	7 667	28	99.6%	9 155	8 912	
Compensation of employees	6 929	(1 835)	-	5 094	5 071	23	99.5%	3 922	3 699	
Goods and services	1 901	200	500	2 601	2 596	5	99.8%	5 233	5 213	
Transfers and subsidies	-	-	-	-	-	-	-	2 655	2 650	
Departmental agencies and accounts	-	-	-	-	-	-	-	2 500	2 500	
Public corporations and private enterprises	-	-	-	-	-	-	-	150	150	
Households	-	-	-	-	-	-	-	5	-	
Payments for capital assets	920	-	-	920	350	570	38.0%	189	188	
Machinery and equipment	50	301	-	351	350	1	99.7%	188	188	
Intangible assets	870	(301)	-	569	-	569	-	1	-	
Payments for financial assets	15	-	-	15	15	-	100.0%	-	-	
Total	9 765	(1 635)	500	8 630	8 032	598	93.1%	11 999	11 750	

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 3: Trade and Sector Development									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. Trade and Investment Promotion	33 920	-	-	33 920	34 020	(100)	100.3%	28 417	28 417
2. Sector development	17 933	-	(423)	17 510	15 522	1 988	88.6%	28 236	27 174
Total	51 853	-	(423)	51 430	49 542	1 888	96.3%	56 653	55 591
Economic classification									
Current payments	12 138	-	(423)	11 715	9 829	1 886	83.9%	15 179	14 119
Compensation of employees	9 489	-	(423)	9 066	7 334	1 732	80.9%	10 563	9 533
Salaries and wages	8 231	-	(423)	7 808	6 273	1 535	80.3%	9 279	8 386
Social contributions	1 258	-	-	1 258	1 061	197	84.3%	1 284	1 147
Goods and services	2 649	-	-	2 649	2 495	154	94.2%	4 616	4 586
Administrative fees	16	-	-	16	15	1	93.8%	14	13
Advertising	51	(9)	-	42	40	2	95.2%	2	2
Minor assets	4	13	-	17	12	5	70.6%	3	3
Catering: Departmental activities	7	2	-	9	9	-	100.0%	11	4
Communication	60	5	-	65	65	-	100.0%	71	70
Consultants: Business and advisory services	2 084	-	-	2 084	2 029	55	97.4%	4 188	4 187
Contractors	21	-	-	21	16	5	76.2%	-	-
Entertainment	12	(7)	-	5	2	3	40.0%	6	-

APPROPRIATION STATEMENT for the year ended 31 March 2018

		Programme 3: Trade and Sector Development (continued)									
		2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Consumable supplies	16	7	-	23	18	5	78.3%	14	10		
Consumable: Stationery, printing and office supplies	27	9	-	36	35	1	97.2%	53	52		
Operating leases	15	-	-	15	5	10	33.3%	16	16		
Travel and subsistence	194	23	-	217	208	9	95.9%	190	184		
Training and development	25	-	-	25	12	13	48.0%	9	9		
Operating payments	117	(43)	-	74	29	45	39.2%	21	19		
Rental and hiring	-	-	-	-	-	-	-	18	17		
Transfers and subsidies	39 695	-	-	39 695	39 695	-	100.0%	41 413	41 413		
Departmental agencies and accounts	34 020	-	-	34 020	34 020	-	100.0%	28 417	28 417		
Departmental agencies	34 020	-	-	34 020	34 020	-	100.0%	28 417	28 417		
Non-profit institutions	5 675	-	-	5 675	5 675	-	100.0%	12 996	12 996		
Payments for capital assets	5	-	-	5	4	1	80.0%	28	26		
Machinery and equipment	5	-	-	5	4	1	80.0%	26	24		
Transport equipment	-	-	-	-	-	-	-	26	24		
Other machinery and equipment	5	-	-	5	4	1	80.0%	-	-		
Intangible assets	-	-	-	-	-	-	-	2	2		
Payments for financial assets	15	-	-	15	14	1	93.3%	33	33		
Total	51 853	-	(423)	51 430	49 542	1 888	96.3%	56 653	55 591		

APPROPRIATION STATEMENT for the year ended 31 March 2018

3.1: Trade and Investment Promotion									
Economic classification	2017/18					2016/17			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Transfers and subsidies	33 920	-	-	33 920	34 020	(100)	100.3%	28 417	28 417
Departmental agencies and accounts	33 920	-	-	33 920	34 020	(100)	100.3%	28 417	28 417
Total	33 920	-	-	33 920	34 020	(100)	100.3%	28 417	28 417

APPROPRIATION STATEMENT for the year ended 31 March 2018

3.2: Sector Development											
Economic classification	2017/18						2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	12 138	-	(423)	11 715	9 829	1 886	83.9%	15 179	14 119		
Compensation of employees	9 489	-	(423)	9 066	7 334	1 732	80.9%	10 563	9 533		
Goods and services	2 649	-	-	2 649	2 495	154	94.2%	4 616	4 586		
Transfers and subsidies	5 775	-	-	5 775	5 675	100	98.3%	12 996	12 996		
Departmental agencies and accounts	100	-	-	100	-	100	-	-	-		
Non-profit institutions	5 675	-	-	5 675	5 675	-	100.0%	12 996	12 996		
Payments for capital assets	5	-	-	5	4	1	80.0%	28	26		
Machinery and equipment	5	-	-	5	4	1	80.0%	26	24		
Intangible assets	-	-	-	-	-	-	-	2	2		
Payments for financial assets	15	-	-	15	14	1	93.3%	33	33		
Total	17 933	-	(423)	17 510	15 522	1 988	88.6%	28 236	27 174		

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 4: Business Regulation and Governance									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. Consumer Protection	11 569	-	(500)	11 069	10 600	469	95.8%	10 911	10 479
Total	11 569	-	(500)	11 069	10 600	469	95.8%	10 911	10 479
Economic classification									
Current payments	11 557	-	(500)	11 057	10 591	466	95.8%	10 779	10 361
Compensation of employees	8 119	-	-	8 119	7 759	360	95.6%	8 111	8 033
Salaries and wages	7 101	-	-	7 101	6 805	296	95.8%	7 130	7 074
Social contributions	1 018	-	-	1 018	954	64	93.7%	981	959
Goods and services	3 438	-	(500)	2 938	2 832	106	96.4%	2 668	2 328
Administrative fees	30	-	-	30	23	7	76.7%	17	16
Advertising	295	701	-	996	992	4	99.6%	300	300
Minor assets	4	-	-	4	-	4	-	25	13
Catering: Departmental activities	15	-	-	15	-	15	-	24	11
Communication	100	-	-	100	79	21	79.0%	217	80
Computer services	250	69	-	319	318	1	99.7%	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	29	-
Contractors	1 000	(701)	-	299	299	-	100.0%	18	-
Agency and support/outsourced services	600	36	-	636	636	-	100.0%	1 472	1 472

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 4: Business Regulation and Governance (continued)											
2017/18											2016/17
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Entertainment	-	-	-	-	-	-	-	-	9	-	-
Consumable supplies	1	-	-	1	1	-	100.0%	6	6	4	4
Consumable: Stationery, printing and office supplies	43	(24)	-	19	18	1	94.7%	56	56	25	25
Operating leases	65	(5)	-	60	57	3	95.0%	67	67	67	67
Property payments	3	-	-	3	2	1	66.7%	3	3	2	2
Travel and subsistence	433	(86)	(31)	316	272	44	86.1%	308	308	222	222
Training and development	180	7	(170)	17	17	-	100.0%	-	-	-	-
Operating payments	419	3	(299)	123	118	5	95.9%	117	117	116	116
Transfers and subsidies	7	-	-	7	7	-	100.0%	-	-	-	-
Households	7	-	-	7	7	-	100.0%	-	-	-	-
Social benefits	7	-	-	7	7	-	100.0%	-	-	-	-
Payments for capital assets	5	-	-	5	2	3	40.0%	84	84	70	70
Machinery and equipment	-	2	-	2	2	-	100.0%	82	82	68	68
Other machinery and equipment	-	2	-	2	2	-	100.0%	82	82	68	68
Intangible assets	5	(2)	-	3	-	3	-	2	2	2	2
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
Total	11 569	-	(500)	11 069	10 600	469	95.8%	10 911	10 911	10 479	10 479

APPROPRIATION STATEMENT for the year ended 31 March 2018

4.1: Consumer Protection											
Economic classification	2017/18						2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	11 557	-	(500)	11 057	10 591	466	95.8%	10 779	10 361		
Compensation of employees	8 119	-	-	8 119	7 759	360	95.6%	8 111	8 033		
Goods and services	3 438	-	(500)	2 938	2 832	106	96.4%	2 668	2 328		
Transfers and subsidies	7	-	-	7	7	-	100.0%	-	-		
Households	7	-	-	7	7	-	100.0%	-	-		
Payments for capital assets	5	-	-	5	2	3	40.0%	84	70		
Machinery and equipment	-	2	-	2	2	-	100.0%	82	68		
Intangible assets	5	(2)	-	3	-	3	-	2	2		
Payment for financial assets	-	-	-	-	-	-	-	48	48		
Total	11 569	-	(500)	11 069	10 600	469	95.8%	10 911	10 479		

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 5: Economic Planning									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. Economic Policy and Planning	3 767	(1 362)	-	2 405	2 360	45	98.1%	3 372	3 258
2. Research and Development	6 930	2 180	-	9 110	9 042	68	99.3%	8 953	8 882
3. Knowledge Management	10 136	-	-	10 136	10 136	-	100.0%	9 654	9 654
4. Monitoring and Evaluation	-	-	-	-	-	-	-	1	-
5. Enabling Growth Infrastructure and Initiative	55 798	493	-	56 291	56 283	8	100.0%	213 527	213 383
6. Broadband for the Economy	23 072	(850)	(750)	21 472	21 414	58	99.7%	41 155	39 771
7. Green Economy	30 620	(461)	-	30 159	30 115	44	99.9%	21 685	21 187
Total	130 323	-	(750)	129 573	129 350	223	99.8%	298 347	296 135
Economic classification									
Current payments	50 698	6 488	(750)	56 436	56 234	202	99.6%	65 130	62 978
Compensation of employees	25 164	-	-	25 164	25 120	44	99.8%	19 711	19 153
Salaries and wages	22 616	(90)	-	22 526	22 492	34	99.8%	17 843	17 318
Social contributions	2 548	90	-	2 638	2 628	10	99.6%	1 868	1 835
Goods and services	25 534	6 488	(750)	31 272	31 114	158	99.4%	45 419	43 825
Administrative fees	55	(19)	-	36	35	1	97.2%	48	46
Advertising	17	331	-	348	344	4	98.9%	1 080	1 080
Minor assets	87	(55)	-	32	27	5	84.4%	314	315
Catering: Departmental activities	62	-	-	62	59	3	95.2%	40	33
Communication	150	6	-	156	154	2	98.7%	144	141

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 5: Economic Planning (continued)												
2017/18											2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Computer services	4 251	568	(449)	4 370	4 310	60	98.6%	5 020	4 520			
Consultants: Business and advisory services	18 531	6 052	(301)	24 282	24 229	53	99.7%	37 266	36 518			
Contractors	470	(432)	-	38	37	1	97.4%	-	-			
Entertainment	33	(21)	-	12	11	1	91.7%	16	7			
Consumable supplies	48	35	-	83	81	2	97.6%	69	65			
Consumable: Stationery, printing and office supplies	221	(51)	-	170	169	1	99.4%	254	108			
Operating leases	91	5	-	96	95	1	99.0%	115	115			
Property payments	-	57	-	57	57	-	100.0%	-	-			
Travel and subsistence	722	(96)	-	626	617	9	98.6%	427	422			
Training and development	205	329	-	534	519	15	97.2%	142	112			
Operating payments	583	(218)	-	365	365	-	100.0%	271	246			
Venues and facilities	8	(3)	-	5	5	-	100.0%	196	80			
Rental and hiring	-	-	-	-	-	-	-	17	17			
Transfers and subsidies	79 571	(6 499)	-	73 072	73 072	-	100.0%	167 688	167 688			
Departmental agencies and accounts	50 935	(800)	-	50 135	50 135	-	100.0%	132 859	132 859			
Departmental agencies	50 935	(800)	-	50 135	50 135	-	100.0%	132 859	132 859			
Non-profit institutions	28 636	(5 700)	-	22 936	22 936	-	100.0%	34 829	34 829			
Households	-	1	-	1	1	-	100.0%	-	-			
Social benefits	-	1	-	1	1	-	100.0%	-	-			

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 5: Economic Planning (continued)												
2017/18											2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Payments for capital assets	54	-	-	54	34	20	63.0%	529	469			
Machinery and equipment	52	2	-	54	34	20	63.0%	527	467			
Transport equipment	-	-	-	-	-	-	-	177	177			
Other machinery and equipment	52	2	-	54	34	20	63.0%	350	290			
Intangible assets	2	(2)	-	-	-	-	-	2	2			
Payments for financial assets	-	11	-	11	10	1	90.9%	65 000	65 000			
Total	130 323	-	(750)	129 573	129 350	223	99.8%	298 347	296 135			

The comparative figures have been restated to account for a prior period error. During the 2016/17, the payment to Cape Town International Convention Centre (CTICC) was incorrectly classified as a transfer payment. This accounting treatment was incorrect and should have been classified as a Payment for Financial Assets. The additional shares acquired have been restated in terms of a reclassification required by the Modified Cash Standard. Refer note 30.

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

APPROPRIATION STATEMENT for the year ended 31 March 2018

5.1 Economic Policy and Planning											
Economic classification	2017/18						2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	3 756	(1 362)	-	2 394	2 359	35	98.5%	3 275	3 161		
Compensation of employees	3 307	(1 275)	-	2 032	2 012	20	99.0%	2 646	2 638		
Goods and services	449	(87)	-	362	347	15	95.9%	629	523		
Payments for capital assets	11	-	-	11	1	10	9.1%	97	97		
Machinery and equipment	11	-	-	11	1	10	9.1%	97	97		
Total	3 767	(1 362)	-	2 405	2 360	45	98.1%	3 372	3 258		

APPROPRIATION STATEMENT for the year ended 31 March 2018

5.2: Research Development											
Economic classification	2017/18						2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	6 928	2 179	-	9 107	9 039	68	99.3%	8 935	8 864		
Compensation of employees	3 841	804	-	4 645	4 644	1	100.0%	3 915	3 843		
Goods and services	3 087	1 375	-	4 462	4 395	67	98.5%	5 020	5 021		
Transfers and subsidies	-	1	-	1	1	-	100.0%	-	-		
Households	-	1	-	1	1	-	100.0%	-	-		
Payments for capital assets	2	-	-	2	2	-	100.0%	18	18		
Machinery and equipment	-	2	-	2	2	-	100.0%	18	18		
Intangible assets	2	(2)	-	-	-	-	-	-	-		
Total	6 930	2 180	-	9 110	9 042	68	99.3%	8 953	8 882		

APPROPRIATION STATEMENT for the year ended 31 March 2018

5.3: Knowledge Management									
Economic classification	2017/18					2016/17			
	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
Transfers and subsidies	10 136	-	-	10 136	10 136	-	100.0%	9 654	9 654
Non-profit institutions	10 136	-	-	10 136	10 136	-	100.0%	9 654	9 654
Total	10 136	-	-	10 136	10 136	-	100.0%	9 654	9 654

5.4: Monitoring and Evaluation									
Economic classification	2017/18					2016/17			
	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	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2018

5.5: Enabling Growth Infrastructure and Initiatives											
Economic classification	2017/18						2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Current payments	6 841	1 293	-	8 134	8 126	8	99.9%	7 072	6 965		
Compensation of employees	3 667	158	-	3 825	3 821	4	99.9%	3 437	3 330		
Goods and services	3 174	1 135	-	4 309	4 305	4	99.9%	3 635	3 635		
Transfers and subsidies	48 955	(800)	-	48 155	48 155	-	100.0%	141 359	141 359		
Departmental agencies and accounts	48 955	(800)	-	48 155	48 155	-	100.0%	132 859	132 859		
Non-profit institutions	-	-	-	-	-	-	-	8 500	8 500		
Payments for capital assets	2	-	-	2	2	-	100.0%	96	59		
Machinery and equipment	2	-	-	2	2	-	100.0%	95	58		
Intangible assets	-	-	-	-	-	-	-	1	1		
Payments for financial assets	-	-	-	-	-	-	-	65 000	65 000		
Total	55 798	493	-	56 291	56 283	8	100.0%	213 527	213 383		

The comparative figures have been restated to account for a prior period error. During the 2016/17, the payment to Cape Town International Convention Centre (CTICC) was incorrectly classified as a transfer payment. This accounting treatment was incorrect and should have been classified as a Payment for Financial Assets. The additional shares acquired have been restated in terms of a reclassification required by the Modified Cash Standard. Refer note 30.

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

APPROPRIATION STATEMENT for the year ended 31 March 2018

Economic classification		2017/18							2016/17	
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	21 066	(850)	(750)	19 466	19 408	58	99.7%	38 244	36 883	
Compensation of employees	4 971	286	-	5 257	5 256	1	100.0%	4 509	4 375	
Goods and services	16 095	(1 136)	(750)	14 209	14 152	57	99.6%	33 735	32 508	
Transfers and subsidies	2 000	-	-	2 000	2 000	-	100.0%	2 650	2 650	
Non-profit institutions	2 000	-	-	2 000	2 000	-	100.0%	2 650	2 650	
Payments for capital assets	6	-	-	6	6	-	100.0%	261	238	
Machinery and equipment	6	-	-	6	6	-	100.0%	260	237	
Intangible assets	-	-	-	-	-	-	-	1	1	
Total	23 072	(850)	(750)	21 472	21 414	58	99.7%	41 155	39 771	

APPROPRIATION STATEMENT for the year ended 31 March 2018

Economic classification		2017/18						2016/17	
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000
Current payments	12 107	5 228	-	17 335	17 302	33	99.7%	7 603	7 105
Compensation of employees	9 378	27	-	9 405	9 387	18	99.8%	5 204	4 967
Goods and services	2 729	5 201	-	7 930	7 915	15	99.3%	2 399	2 138
Transfers and subsidies	18 480	(5 700)	-	12 780	12 780	-	100.0%	14 025	14 025
Departmental agencies and accounts	1 980	-	-	1 980	1 980	-	100.0%	-	-
Non-profit institutions	16 500	(5 700)	-	10 800	10 800	-	100.0%	14 025	14 025
Payments for capital assets	33	-	-	33	23	10	69.7%	57	57
Machinery and equipment	33	-	-	33	23	10	69.7%	57	57
Payments for financial assets	-	11	-	11	10	1	90.9%	-	-
Total	30 620	(461)	-	30 159	30 115	44	99.9%	21 685	21 187

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 6: Tourism, Arts and Entertainment											
		2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
										R'000	R'000
Sub-programme											
1. Tourism Planning	-	-	-	-	-	-	-	-	-	1	-
2. Tourism Growth and Development	-	-	-	-	-	-	-	-	-	1	-
3. Tourism Sector Transformation	16 284	-	(2 930)	13 354	12 722	632	95.3%	12 629	12 017		
4. Tourism Destination Marketing	40 676	-	-	40 676	40 675	1	100.0%	37 325	37 325		
Total	56 960	-	(2 930)	54 030	53 397	633	98.8%	49 956	49 342		
Economic classification											
Current payments	14 759	(20)	(2 930)	11 809	11 179	630	94.7%	9 784	9 173		
Compensation of employees	7 278	-	-	7 278	7 148	130	98.2%	7 850	7 261		
Salaries and wages	6 442	(15)	-	6 427	6 300	127	98.0%	6 875	6 413		
Social contributions	836	15	-	851	848	3	99.6%	975	848		
Goods and services	7 481	(20)	(2 930)	4 531	4 031	500	89.0%	1 934	1 912		
Administrative fees	20	109	-	129	129	-	100.0%	22	21		
Advertising	353	(109)	-	244	71	173	29.1%	200	200		
Minor assets	1	2	-	-	3	3	100.0%	5	2		

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 6: Tourism, Arts and Entertainment (continued)											
2017/18											2016/17
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Catering: Departmental activities	56	(4)	-	52	10	42	19.2%	72	71		
Communication	52	3	-	55	53	2	96.4%	59	57		
Computer services	100	(100)	-	-	-	-	-	-	-		
Consultants: Business and advisory services	5 620	(1 560)	(2 930)	1 130	888	242	78.6%	93	93		
Contractors	14	1 704	-	1 718	1 718	-	100.0%	55	54		
Entertainment	-	-	-	-	-	-	-	1	1		
Consumable supplies	32	(5)	-	27	24	3	88.9%	53	50		
Consumable: Stationery, printing and office supplies	131	-	-	131	103	28	78.6%	100	98		
Operating leases	94	-	-	94	93	1	98.9%	109	109		
Travel and subsistence	313	(27)	-	286	278	8	97.2%	295	289		
Training and development	504	-	-	504	504	-	100.0%	838	837		
Operating payments	50	17	-	67	67	-	100.0%	27	25		
Venues and facilities	141	(50)	-	91	90	1	98.9%	5	5		
Transfers and subsidies	42 176	20	-	42 196	42 194	2	100.0%	40 090	40 090		
Provinces and municipalities	1 500	-	-	1 500	1 500	-	100.0%	-	-		
Municipalities	1 500	-	-	1 500	1 500	-	100.0%	-	-		
Departmental agencies and accounts	40 676	-	-	40 676	40 675	1	100.0%	39 975	39 975		
Departmental agencies	40 676	-	-	40 676	40 675	1	100.0%	39 975	39 975		

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 6: Tourism, Arts and Entertainment (continued)											
2017/18											2016/17
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Households	-	20	-	20	19	1	95.0%	115	115		115
Social benefits	-	20	-	20	19	1	95.0%	115	115		115
Payments for capital assets	20	-	-	20	20	-	100.0%	78	75		75
Machinery and equipment	20	-	-	20	20	-	100.0%	78	75		75
Other machinery and equipment	20	-	-	20	20	-	100.0%	78	75		75
Intangible assets	-	-	-	-	-	-	-	-	-		1
Payments for financial assets	5	-	-	5	4	1	80.0%	49 956	4		3
Total	56 960	-	(2 930)	54 030	53 397	633	98.8%	49 956	49 956		49 342

APPROPRIATION STATEMENT for the year ended 31 March 2018

6.1: Tourism Planning										
Economic classification	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	-	-	-	-	-	-	-	-	1	-
Goods and services	-	-	-	-	-	-	-	-	1	-
Total	-	-	-	-	-	-	-	-	1	-

6.2: Tourism Growth and Development										
Economic classification	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	-	-	-	-	-	-	-	-	1	-
Goods and services	-	-	-	-	-	-	-	-	1	-
Total	-	-	-	-	-	-	-	-	1	-

APPROPRIATION STATEMENT for the year ended 31 March 2018

6.3: Tourism Sector Transformation											
Economic classification	2017/18						2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	14 759	(20)	(2 930)	11 809	11 179	630	94.7%	9 782	9 173		
Compensation of employees	7 278	-	-	7 278	7 148	130	98.2%	7 850	7 261		
Goods and services	7 481	(20)	(2 930)	4 531	4 031	500	89.0%	1 932	1 912		
Transfers and subsidies	1 500	20	-	1 520	1 519	1	99.9%	2 765	2 765		
Provinces and municipalities	1 500	-	-	1 500	1 500	-	100.0%	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-	2 650	2 650		
Households	-	20	-	20	19	1	95.0%	115	115		
Payments for capital assets	20	-	-	20	20	-	100.0%	78	76		
Machinery and equipment	20	-	-	20	20	-	100.0%	78	75		
Intangible assets	-	-	-	-	-	-	-	-	-		
Payments for financial assets	5	-	-	5	4	1	80.0%	4	3		
Total	16 284	-	(2 930)	13 354	12 722	632	95.3%	12 629	12 017		

APPROPRIATION STATEMENT for the year ended 31 March 2018

6.4: Tourism Destination Marketing											
Economic classification		2017/18						2016/17			
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Transfers and subsidies		40 676	-	-	40 676	40 675	1	100.0%	37 325	37 325	
Departmental agencies and accounts		40 676	-	-	40 676	40 675	1	100.0%	37 325	37 325	
Total		40 676	-	-	40 676	40 675	1	100.0%	37 325	37 325	

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 7: Skills Development and Innovation											
2017/18										2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Sub-programme											
1. Provincial Skills and Partnership	18 579	(203)	(193)	18 183	17 322	861	95.3%	10 662	10 596		
2. Skills Programme and Projects	40 191	302	2 257	42 750	42 381	369	99.1%	49 825	42 085		
3. Skills Incentives	1 775	(99)	(200)	1 476	1 470	6	99.6%	2 315	1 841		
Total	60 545	-	1 864	62 409	61 173	1 236	98.0%	62 802	54 522		
Economic classification											
Current payments	48 067	-	2 189	50 256	50 236	20	100.0%	49 713	46 030		
Compensation of employees	14 093	-	-	14 093	14 078	15	99.9%	11 674	11 004		
Salaries and wages	13 187	(181)	-	13 006	12 994	12	99.9%	10 576	9 999		
Social contributions	906	181	-	1 087	1 084	3	99.7%	1 098	1 005		
Goods and services	33 974	-	2 189	36 163	36 158	5	100.0%	38 039	35 026		
Administrative fees	22	(2)	-	20	19	1	95.0%	22	17		
Advertising	3 286	(60)	67	3 293	3 293	-	100.0%	275	275		
Minor assets	3	(3)	-	-	-	-	-	21	-		
Catering: Departmental activities	168	(9)	(30)	129	129	-	100.0%	313	272		
Communication	76	(9)	(8)	59	58	1	98.3%	77	68		

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 7: Skills Development and Innovation (continued)											
	2017/18						2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
Computer services	-	6	255	261	261	-	100.0%	3 579	3 579	3 579	
Consultants: Business and advisory services	2 399	(172)	-	2 227	2 226	1	100.0%	3 071	3 071	535	
Contractors	50	-	(50)	-	-	-	-	-	-	-	
Entertainment	11	(10)	-	1	1	-	100.0%	6	6	4	
Consumable supplies	99	(5)	(30)	64	64	-	100.0%	37	37	24	
Consumable: Stationery, printing and office supplies	127	(16)	(71)	40	40	-	100.0%	165	165	100	
Operating leases	54	3	-	57	57	-	100.0%	26	26	24	
Transport provided: Departmental activity	25	-	-	25	25	-	100.0%	-	-	-	
Property payments	-	-	-	-	-	-	-	1	1	-	
Travel and subsistence	400	(15)	(131)	254	254	-	100.0%	355	355	260	
Training and development	27 135	249	2 197	29 581	29 579	2	100.0%	29 940	29 940	29 767	
Operating payments	52	43	-	95	95	-	100.0%	82	82	48	
Venues and facilities	67	-	(10)	57	57	-	100.0%	66	66	50	
Rental and hiring	-	-	-	-	-	-	-	3	3	3	
Transfers and subsidies	10 959	-	(325)	10 634	10 269	365	96.6%	12 546	12 546	7 983	
Public corporations and private enterprises	-	-	-	-	-	-	-	40	40	40	
Private enterprises	-	-	-	-	-	-	-	40	40	40	
Other transfers to private enterprises	-	-	-	-	-	-	-	40	40	40	

APPROPRIATION STATEMENT for the year ended 31 March 2018

Programme 7: Skills Development and Innovation (continued)											
2017/18											2016/17
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Non-profit institutions	-	-	-	-	-	-	-	-	-	1 000	1 000
Households	10 959	-	(325)	10 634	10 269	365	96.6%	11 506	6 943		
Social benefits	-	-	-	-	29	(29)	-	23	23		
Other transfers to households	10 959	-	(325)	10 634	10 240	394	96.3%	11 483	6 920		
Payments for capital assets	1 505	-	-	1 505	654	851	43.5%	540	506		
Machinery and equipment	5	-	-	5	5	-	100.0%	533	504		
Other machinery and equipment	5	-	-	5	5	-	100.0%	533	504		
Intangible assets	1 500	-	-	1 500	649	851	43.3%	7	2		
Payments for financial assets	14	-	-	14	14	-	100.0%	3	3		
Total	60 545	-	1 864	62 409	61 173	1 236	98.0%	62 802	54 522		

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

APPROPRIATION STATEMENT for the year ended 31 March 2018

Economic classification		2017/18						2016/17	
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000
Current payments	16 058	(235)	(122)	15 945	15 935	10	99.9%	10 176	10 115
Compensation of employees	9 591	-	-	9 591	9 583	8	99.9%	6 066	6 066
Goods and services	6 467	(235)	(122)	6 354	6 352	2	100.0%	4 110	4 049
Transfers and subsidies	1 016	32	(315)	733	733	-	100.0%	40	40
Public corporations and private enterprises	-	-	-	-	-	-	-	40	40
Private enterprises	-	-	-	-	-	-	-	40	40
Other transfers to private enterprises	-	-	-	-	-	-	-	40	40
Households	1 016	32	(315)	733	733	-	100.0%	-	-
Payments for capital assets	1 505	-	-	1 505	654	851	43.5%	443	438
Machinery and equipment	5	-	-	5	5	-	100.0%	436	436
Intangible assets	1 500	-	-	1 500	649	851	43.3%	7	2
Payments for financial assets	-	-	-	-	-	-	-	3	3
Total	18 579	(203)	(193)	18 183	17 322	861	95.3%	10 662	10 596

APPROPRIATION STATEMENT for the year ended 31 March 2018

Economic classification		2017/18						2016/17		
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	30 248	334	2 267	32 849	32 845	4	100.0%	37 245	34 097	
Compensation of employees	3 074	61	-	3 135	3 134	1	100.0%	3 493	3 282	
Goods and services	27 174	273	2 267	29 714	29 711	3	100.0%	33 752	30 815	
Transfers and subsidies	9 943	(32)	(10)	9 901	9 536	365	96.3%	12 483	7 920	
Non-profit institutions	-	-	-	-	-	-	-	1 000	1 000	
Households	9 943	(32)	(10)	9 901	9 536	365	96.3%	11 483	6 920	
Payments for capital assets	-	-	-	-	-	-	-	97	68	
Machinery and equipment	-	-	-	-	-	-	-	97	68	
Total	40 191	302	2 257	42 750	42 381	369	99.1%	49 825	42 085	

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

APPROPRIATION STATEMENT for the year ended 31 March 2018

Economic classification		2017/18							2016/17	
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	1 761	(99)	(200)	1 462	1 456	6	99.6%	2 292	1 818	
Compensation of employees	1 428	(61)	-	1 367	1 361	6	99.6%	2 115	1 656	
Goods and services	333	(38)	(200)	95	95	-	100.0%	177	162	
Transfers and subsidies	-	-	-	-	-	-	-	23	23	
Households	-	-	-	-	-	-	-	23	23	
Payment for financial assets	14	-	-	14	14	-	100.0%	-	-	
Total	1 775	(99)	(200)	1 476	1 470	6	99.6%	2 315	1 841	

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2018

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-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets:

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	58 541	58 067	474	0.8%
Integrated Economic Development Services	38 292	37 174	1 118	2.9%
Explanation of variance: The underspending on Programme 2: Integrated Economic Development Services relates primarily to delays in filling of posts as well as an economic re-classification of the Red Tape Costing Tool project from Capital Software and Intangible Assets to Goods and Services.				
Trade and Sector Development	51 430	49 542	1 888	3.7%
Explanation of variance: The primary driver of the under-spending for Programme 3: Trade and Sector Development relates to underspending of Compensation of Employees due to persons leaving the employ of the Department and the delays in the filling of vacancies.				
Business Regulation and Governance	11 069	10 600	469	4.2%
Explanation of variance: The primary driver for the under-spending within Programme 4: Business Regulation and Governance relates to under-spending on Compensation of Employees due to persons leaving the Programme as well as lower than anticipated travel and subsistence costs.				

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2018

4.1 Per programme (continued)	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Economic Planning	129 573	129 350	223	0.2%
Tourism, Arts and Entertainment	54 030	53 397	633	1.2%
Skills Development and Tourism	62 409	61 173	1 236	2.0%

Explanation of variance:

The primary driver for under-spending on Programme 7: Skills Development and Innovation relates primarily to an underspending on the projected stipend payments made learners who dropped off the occupational and entry skills programme as well as an economic re-classification of costs related to the Data Management project from Capital Software and Intangible Assets to Goods and Services.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	118 055	115 365	2 690	2.3%
Goods and services	107 733	106 251	1 482	1.5%
Transfers and subsidies				
Provinces and municipalities	1 500	1 500	-	0.0%
Departmental agencies and accounts	124 834	124 833	1	0.0%
Public corporations and private enterprises	3 575	3 530	45	1.0%
Non-profit institutions	30 611	30 611	-	0.0%
Households	11 471	11 105	366	3.2%
Payments for capital assets				
Machinery and equipment	5 370	5 348	22	0.4%
Intangible assets	2 080	649	1 431	68.8%
Payments for financial assets	115	111	4	3.5%

Explanation of variances:

Compensation of Employees deviated from the planned expenditure targets primarily due to the delays in filling of key Senior Management positions as well as the vacating of key positions within the Department.

Furthermore, Software and Intangible Assets deviated from the planned expenditure target due to the re-classification of the Red Tape Costing Tool.

The under-spending Household payments relates to the drop-off of learners from the Work Placement.

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
REVENUE			
Annual appropriation	1	405 344	573 266
Departmental revenue	2	4 126	775
Aid assistance	3	5 730	14 771
TOTAL REVENUE		415 200	588 812
EXPENDITURE			
Current expenditure			
Compensation of employees	4	115 365	104 661
Goods and services	5	106 252	118 527
Aid assistance	3	4 851	1 942
Total current expenditure		226 468	225 130
Transfers and subsidies			
Transfers and subsidies	7	171 578	266 329
Aid assistance	3	9 299	11 958
Total transfers and subsidies		180 877	278 287
Expenditure for capital assets			
Tangible assets	8	5 347	4 388
Intangible assets	8	649	306
Total expenditure for capital assets		5 996	4 694
Payments for financial assets	6	112	65 175
TOTAL EXPENDITURE		413 453	573 286
SURPLUS FOR THE YEAR		1 747	15 526
Reconciliation of Net Surplus for the year			
Voted funds		6 041	13 880
Departmental revenue and NRF Receipts	14	4 126	775
Aid assistance	3	(8 420)	871
SURPLUS FOR THE YEAR		1 747	15 526

STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
ASSETS			
Current assets		17 649	30 982
Cash and cash equivalents	<u>9</u>	17 416	30 740
Prepayments and advances	<u>10</u>	9	35
Receivables	<u>11</u>	224	207
Non-current assets		304 041	303 869
Investments	<u>12</u>	303 853	303 790
Receivables	<u>11</u>	188	79
TOTAL ASSETS		321 690	334 851
LIABILITIES			
Current liabilities		17 709	31 028
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	6 041	13 880
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	2 977	23
Payables	<u>15</u>	-	14
Aid assistance unutilised	<u>3</u>	8 691	17 111
TOTAL LIABILITIES		17 709	31 028
NET ASSETS		303 981	303 823
Represented by:			
Capitalisation reserve		303 853	303 790
Recoverable revenue		128	33
TOTAL		303 981	303 823

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
Capitalisation Reserves			
Opening balance		303 790	238 790
Transfers:			
Movement in Equity		63	65 000
Closing balance		303 853	303 790
Recoverable revenue			
Opening balance		33	32
Transfers:		95	1
Debts revised		(1)	(1)
Debts recovered (included in Departmental receipts)		(217)	-
Debts raised		313	2
Closing balance		128	33
TOTAL		303 981	303 823

CASH FLOW STATEMENT for the year ended 31 March 2018

	Note	2017/18	2016/17
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		415 476	589 074
Annual appropriated funds received	<u>1.1</u>	405 344	573 266
Departmental revenue received	2	4 363	1 037
Interest received	<u>2.2</u>	39	-
Aid assistance received	<u>3</u>	5 730	14 771
Net (increase) in working capital		(114)	(655)
Surrendered to Revenue Fund		(15 350)	(13 185)
Current payments		(226 468)	(225 130)
Payments for financial assets		(112)	(175)
Transfers and subsidies paid		(180 877)	(278 287)
Net cash flow available from operating activities	<u>16</u>	(7 445)	71 642
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(5 996)	(4 694)
Proceeds from sale of capital assets	<u>2.3</u>	22	22
(Increase) in investments		(63)	(65 000)
Net cash flows from investing activities		(6 037)	(69 672)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets		158	1
Net cash flows from financing activities		158	1
Net (decrease)/increase in cash and cash equivalents		(13 324)	1 971
Cash and cash equivalents at beginning of period		30 740	28 769
Cash and cash equivalents at end of period	<u>17</u>	17 416	30 740

Please note: Non-cash items for the purchase of shares in the Cape Town International Convention Centre (CTICC) has been removed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2018

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the Department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999) and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of Departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). 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. 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued Departmental revenue</p> <p>Accruals in respect of Departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the Department's debt write-off policy.</p>
8	<p>Expenditure</p>
8.1	<p>Compensation of employees</p>
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.2.1	<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 notes to the financial statements. All other losses are recognised when authorisation has been granted for the recognition thereof.</p>
8.3	<p>Accrued expenditure payable</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	<p>Leases</p>
8.4.1	<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>
8.4.2	<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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2018

9	Aid Assistance
9.1	<p>Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position</p>
9.2	<p>Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances 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> <p>Prepayments and advances are recognised in the Statement of Financial Performance if the amount is material and budgeted for as an expense in the year in which the actual prepayment or advance was made.</p>
12	<p>Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the Department's write-off policy.</p>
13	<p>Investments Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a Department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written off.</p>
14.2	<p>Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables Payables recognised in the statement of financial position are recognised at cost.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2018

16	Capital Assets
16.1	<p>Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.2	<p>Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
17	Provisions and Contingents
17.1	<p>Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.</p>
17.4	<p>Commitments Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure 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>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2018

19	<p>Fruitless and wasteful expenditure Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure 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>
21	<p>Changes in accounting policies, accounting estimates and errors Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements A principle-agent relationship results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf and for the benefit of, another entity (the principle). Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
25	<p>Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written off.</p>
26	<p>Related party transactions A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>
27	<p>Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the Department are recorded in the notes to the financial statements (if applicable).</p>
28	<p>Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for Provincial Departments:

	2017/18			2016/17	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	58 541	58 541	-	52 314	52 314
Integrated Economic Development Services	38 292	38 292	-	42 283	42 283
Trade and Sector Development	51 430	51 430	-	56 653	56 653
Business Regulation and Governance	11 069	11 069	-	10 911	10 911
Economic Planning	129 573	129 573	-	298 347	298 347
Tourism, Arts and Entertainment	54 030	54 030	-	49 956	49 956
Skills Development and Innovation	62 409	62 409	-	62 802	62 802
Total	405 344	405 344	-	573 266	573 266

During 2016/17, an additional Adjusted Estimated Appropriation of R100 million was earmarked for the land sale agreement between the Industrial Development Corporation (IDC) and the Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo) as well as the additional share purchase of R65 million in the Cape Town International Convention Centre as part of the expansion project.

2. Departmental revenue

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services other than capital assets	2.1	438	320
Interest, dividends and rent on land	2.2	39	-
Sales of capital assets	2.3	22	22
Transactions in financial assets and liabilities	2.4	3 925	717
Total revenue collected		4 424	1 059
Less: Own revenue included in appropriation	14	(298)	(284)
Departmental revenue collected		4 126	775

2.1 Sales of goods and services other than capital assets

	Note	2017/18 R'000	2016/17 R'000
	2		
Sales of goods and services produced by the Department		438	320
Administrative fees		419	304
Other sales		19	16
Total		438	320

The increase in administrative fees relates to the increase in tour guide registrations during the year.

2.2 Interest, dividends and rent on land

	Note	2017/18 R'000	2016/17 R'000
	2		
Interest		39	-
Total		39	-

Increase relates to interest on debt recovered during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

2.3 Sale of capital assets

	Note	2017/18 R'000	2016/17 R'000
	2		
Tangible assets		22	22
Machinery and equipment	27	22	22
Total		22	22

The proceeds received from the sale of capital assets relate to the disposal management policy which allows staff to purchase IT equipment.

2.4 Transactions in financial assets and liabilities

	Note	2017/18 R'000	2016/17 R'000
	2		
Other Receipts including Recoverable Revenue		3 925	717
Total		3 925	717

Increase in Departmental revenue relates to pay-overs received from Casidra and Cape IT Initiative in respect of previous year funding due to the conclusion of the projects as well as debts written off.

3. Aid assistance

	Note	2017/18 R'000	2016/17 R'000
Opening Balance		17 111	16 240
Transferred from statement of financial performance		(8 420)	871
Closing Balance		8 691	17 111

Aid assistance relates to the funds received from the Government Technical Advisory Centre (GTAC) for the Work and Skills Programme as well as funds received from the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MerSeta) for the implementation of the Apprenticeship Game Changer.

During 2017/18, an additional amount of R957 000 was received from the Manufacturing, Engineering and Related Services Sector Education and Training Authority (MerSeta) which was included in the Adjusted Estimate Process.

3.1 Analysis of balance by source

	Note	Total R'000	Total R'000
Aid assistance from other sources	3	8 691	17 111
Closing balance		8 691	17 111
Opening balance		17 111	16 240
Revenue		5 730	14 771
Expenditure		(14 150)	(13 900)
Closing balance		8 691	17 111

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

Analysis of balance by source – 2017/18

	GTAC R'000	MerSeta R'000	Total R'000
Opening balance	17 111	-	17 111
Revenue	1 551	4 178	5 729
Expenditure	(13 399)	(750)	(14 149)
Closing balance	5 263	3 428	8 691

3.2 Analysis of balance

	Note	2017/18 R'000	2016/17 R'000
Aid assistance unutilised	3	8 691	17 111
Closing balance		8 691	17 111

3.3 Aid assistance expenditure per economic classification

	Note	2017/18 R'000	2016/17 R'000
Current expenditure		4 851	1 942
Transfers and subsidies		9 299	11 958
Total aid assistance expenditure		14 150	13 900

4. Compensation of employees

4.1 Salaries and Wages

	Note	2017/18 R'000	2016/17 R'000
Basic salary		83 007	75 491
Performance award		1 269	1 676
Service Based		91	16
Compensative/circumstantial		1 087	1 137
Other non-pensionable allowances		16 803	14 648
Total		102 257	92 968

4.2 Social contributions

	Note	2017/18 R'000	2016/17 R'000
Employer contributions			
Pension		9 871	8 782
Medical		3 219	2 895
Bargaining council		18	16
Total		13 108	11 693
Total compensation of employees		115 365	104 661
Average number of employees		227	224

Increase in salaries and wages relates to the inflationary increase in terms of the wage agreement as well as the appointment of two (2) Deputy-Director Generals during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

5. Goods and services

	Note	2017/18 R'000	2016/17 R'000
Administrative fees		325	266
Advertising		13 019	9 861
Minor assets	5.1	460	416
Bursaries (employees)		352	299
Catering		1 083	1 044
Communication		890	778
Computer services	5.2	6 575	9 028
Consultants: Business and advisory services		35 616	50 287
Legal services		-	265
Contractors		3 238	1 259
Agency and support/outsourced services		831	1 942
Entertainment		37	43
Audit cost - external	5.3	2 324	3 093
Fleet services		513	486
Consumables	5.4	1 689	1 440
Operating leases		517	556
Property payments	5.5	59	107
Rental and hiring		721	630
Transport provided as part of the Departmental activities		25	-
Travel and subsistence	5.6	2 571	2 271
Venues and facilities		991	551
Training and development		32 826	32 822
Other operating expenditure	5.7	1 591	1 083
Total*		106 252	118 527

*Included in the total for goods and services is an amount of R465 980 that was donated by the Department to SMME's for small business development services.

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

Administration fees - Increase in expenditure due copyright fees paid for the buyout of cycle map pins for the cycle routes.

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

Bursaries (employees) - Increase in expenditure due to more staff applying for bursaries.

Consultants: Business and advisory services - Decrease in the expenditure relates to the implementation of the National Treasury cost containment circular. Projects are done internally with Departmental resources.

Contractors - Increase in expenditure due to the appointment of contractors to deliver on the ATM Fraud Prevention Project.

Agency and support/outsourced service, Entertainment and Operating Payments - Decrease in the expenditure relates to the implementation of the National Treasury cost containment circular.

Rental and hiring - Increase in expenditure due to the hosting of the Western Cape Procurement Expo and Western Cape Funding Fair.

Venues and facilities - Increase in expenditure due to the increases in venue costs and participant numbers.

Training and Development - Increase in expenditure due to the roll-out of the Skills Development Programme, Apprenticeship Game Changer and Artisanal Development Programme. Non-employee expenditure relates to training for service excellence, customer service, tourist guides, competency based modular and ICT technical skills. Employee expenditure costs were incurred for the professional development of staff within the Department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

5.1 Minor assets

	Note	2017/18 R'000	2016/17 R'000
	5		
Tangible assets		454	416
Machinery and equipment		454	416
Intangible assets		6	-
Software		6	-
Total		460	416

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

5.2 Computer services

	Note	2017/18 R'000	2016/17 R'000
	5		
SITA computer services		400	729
External computer service providers		6 175	8 299
Total		6 575	9 028

Decrease in the expenditure due to the E-Skills Platform being finalised during the 2016/17 financial year.

5.3 Audit cost – External

	Note	2017/18 R'000	2016/17 R'000
	5		
Regularity audits		2 324	3 093
Total		2 324	3 093

Decrease in the expenditure relates to efficiencies in the audit process.

5.4 Consumables

	Note	2017/18 R'000	2016/17 R'000
	5		
Consumable supplies		677	437
Household supplies		107	45
Building material and supplies		84	28
Communication accessories		-	13
IT consumables		396	176
Other consumables		90	175
Stationery, printing and office supplies		1 012	1 003
Total		1 689	1 440

Increase in expenditure due to additional business units established within the Department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

5.5 Property payments

	Note	2017/18 R'000	2016/17 R'000
	5		
Municipal services		2	2
Security services		57	105
Total		59	107

During 2016/17, additional access points were installed due to the completion of the modernisation process. There has been no similar expenditure incurred during this financial year.

5.6 Travel and subsistence

	Note	2017/18 R'000	2016/17 R'000
	5		
Local		2 377	1 981
Foreign		194	290
Total		2 571	2 271

Increase in local expenditure due to a renewed focus on partnerships with National Bodies. Decrease in foreign expenditure due to the implementation of the National Treasury Cost Containment Circular.

5.7 Other operating expenditure

	Note	2017/18 R'000	2016/17 R'000
	5		
Resettlement costs		84	18
Other		1 507	1 065
Total		1 591	1 083

Resettlement costs relate to the expenditure incurred for two (2) staff members. Other includes printing costs incurred for the organisation's strategic publications such as the Annual Performance Plan, Annual Report and the Quarterly Economic Bulletin.

6. Payments for financial assets

	Note	2017/18 R'000	2016/17 R'000
Material losses through criminal conduct		60	143
Theft	6.3	60	143
Purchase of equity		-	65 000
Other material losses written off	6.1	-	15
Debts written off	6.2	52	17
Total		112	65 175

During 2016/17, the payment to Cape Town International Convention Centre (CTICC) was incorrectly classified as a transfer payment when it should have been classified as Payment for Financial Assets. The revised accounting treatment aligns to the requirements as per the Modified Cash Standard. Refer to note 30.1.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

6.1 Other material losses written off

	Note	2017/18 R'000	2016/17 R'000
	6		
Nature of losses			
Damages to Government vehicles		-	15
Total		-	15

6.2 Debts written off

	Note	2017/18 R'000	2016/17 R'000
	6		
Nature of debts written off			
Recoverable revenue written off			
Ex-employee loss written off		-	4
Total		-	4
Other debt written off		-	-
Debt accounts written off (14 cases)		52	13
Total		52	13
Total debt written off		52	17

Debt written off in accordance with the Departmental debt policy and relates to salary overpayments and asset discrepancies. These debts have been analysed and have been found to be irrecoverable.

6.3 Details of theft

	Note	2017/18 R'000	2016/17 R'000
	6		
Nature of theft			
Theft of equipment (6 cases)		60	143
Total		60	143

During the year five (5) laptops and one (1) camera was written off on the recommendation of the State Attorneys.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

7. Transfers and subsidies

	Note	2017/18 R'000	2016/17 R'000
Provinces and municipalities	Annex 1A	1 500	-
Departmental agencies and accounts	Annex 1B	124 833	204 154
Public corporations and private enterprises	Annex 1C	3 530	2 695
Non-profit institutions	Annex 1D	30 611	50 326
Households	Annex 1E	11 104	9 154
Total		171 578	266 329

The comparative figures have been restated for Non-Profit Institutions to take into account the purchase of equity in the Cape Town International Convention Centre as part of the CTICC expansion project. Refer to note 30.1.

The comparative figures have been restated to take into account the reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. Refer note 30.

During 2016/17, an amount of R100 million was paid to Saldanha Bay Industrial Development Zone Licencing Company (LiCo) for the land purchase in terms of a sale agreement with the Industrial Development Corporation (IDC). This amount is included in Departmental Agencies and accounts.

8. Expenditure for capital assets

	Note	2017/18 R'000	2016/17 R'000
Tangible assets*		5 347	4 388
Machinery and equipment	27	5 347	4 388
Intangible assets		649	306
Software	28	649	306
Total		5 996	4 694

Increase in expenditure due to purchases in terms of the Department's technology refresh policy as well as additional business units established within the Department.

*Included in the total for tangible assets is an amount of R410 598 that was donated by the Department to SMME's for small business development services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

8.1 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Machinery and equipment	5 347	-	5 347
Intangible assets			
Software	649	-	649
Total	5 996	-	5 996

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	4 388	-	4 388
Machinery and equipment	4 388	-	4 388
Intangible assets	306	-	306
Software	306	-	306
Total	4 694	-	4 694

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2017/18 R'000	2016/17 R'000
Tangible assets		2 043	2 098
Machinery and equipment		2 043	2 098
Intangible assets		-	16
Software		-	16
Total		2 043	2 114

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

9. Cash and cash equivalents

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General Account		32 411	39 136
Disbursements		(15 035)	(8 436)
Cash on hand		40	40
Total		17 416	30 740

The **Consolidated Paymaster General account** comprises of the bank account which includes the unspent voted funds and aid assistance paid into the Department's bank account on 31 March 2018.

10. Prepayments and advances

	Note	2017/18 R'000	2016/17 R'000
Travel and subsistence		9	20
Prepayments (Not expensed)	10.1	-	15
Total		9	35

Travel and subsistence includes advances for overseas travel.

10.1 Prepayments (Not expensed)

	Note	Balance as at 1 April 2017 R'000	Less: Amount expensed in current year R'000	Add: Current Year prepayments R'000	Balance as at 31 March 2018 R'000
Goods and services	10	15	15	-	-
Total		15	15	-	-

10.2 Prepayments (Expensed)

	Note	Amount as at 1 April 2017 R'000	Less: Received in the current year R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2018 R'000
Goods and services	10	276	(276)	2 506	2 506
Transfers and subsidies		-	-	1 275	1 275
Total		276	(276)	3 781	3 781

Prepayments (expensed) relates to annual subscriptions to various research publications and a transfer payment to the Green Cape for the Water Sector Desk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

10.3 Advances paid (Expensed)

	Note	Balance as at 1 April 2017	Less: Amount expensed in current year	Add: Current Year prepayments	Balance as at 31 March 2018
		R'000	R'000	R'000	R'000
Public entities	10	-	-	2 980	2 980
Total		-	-	2 980	2 980

Advances paid (expensed) relates to transfer payments made to Wesgro for the Cape Health Technology Park and the set-up, establishment of the Strategic Economic Development Infrastructure Company (SEDIC) and management of the Atlantis Special Economic Zone (SEZ).

11. Receivables

	Note	2017/18			2016/17		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Recoverable expenditure	11.1	174	-	174	124	-	124
Staff debt	11.2	50	188	238	83	79	162
Total		224	188	412	207	79	286

Receivables are split in terms of the probability of recoverability over the next 12 months.

11.1 Recoverable expenditure (disallowance accounts)

	Note	2017/18 R'000	2016/17 R'000
Disallowance damages and losses	11	174	124
Total		174	124

Included in the amount are two (2) cases relating to government vehicles and fifteen (15) cases relating to equipment that are still under investigation.

11.2 Staff debt

	Note	2017/18 R'000	2016/17 R'000
Debt accounts	11	238	162
Total		238	162

Staff debt comprise of salary overpayments, tax, housing and government vehicle accident debt.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

Staff debt comprises of the following:

	Number of cases R'000	Value R'000
Assets	3	22
Bursary	2	96
GG Accident	2	39
Salary overpayments	6	45
Supplier overpayments	1	32
Tax debt	2	4

11.3 Impairment of receivables

	Note	2017/18 R'000	2016/17 R'000
Estimate of impairment of receivables		188	54
Total		188	54

All debts are individually reviewed for the possibility of impairment. The impairment includes debtors that were handed over to the State Attorney for recovery.

12. Investments

	Note	2017/18 R'000	2016/17 R'000
Non-Current			
Shares and other equity			
Cape Town International Convention Centre		303 790	303 790
Saldanha Bay IDZ Licencing Company (Pty) Ltd		63	-
Total non-current		303 853	303 790
Analysis of non-current investments			
Opening balance		303 790	238 790
Additions in cash		63	65 000
Closing balance		303 853	303 790
Number of shares			
Cape Town International Convention Centre		60 425	60 425
Saldanha Bay IDZ Licencing Company (Pty) Ltd (no par value shares)		120	-
Total non-current		60 545	60 425

On 28th March 2014, the Cape Town International Convention Company SOC Limited ("CTICC") issued a notice of fresh subscription offer letter to all its shareholders. The Department acquired additional shares in the Cape Town International Convention Centre during prior years. The funds that were raised were used to expand the existing capacity of the CTICC facilities. At reporting date, the Provincial Government of the Western Cape has a shareholding of 23.2% (2017: 23.24%) in the Cape Town International Convention Centre Company (Pty) Ltd. The shareholding will be finalised at a percentage of 23.93% upon conclusion of the transaction.

On 1 April 2017, the Department became a 100% shareholder in Saldanha Bay IDZ Licencing Company (Pty) Ltd (LiCo). The shareholding comprises of 120 no par value shares. The purpose of Saldanha Bay IDZ Licencing Company (Pty) Ltd (LiCo) is to establish and fulfil the purpose of a Special Economic Zone within the greater Saldanha Bay area.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

12.1 Impairment of investments

	Note	2017/18 R'000	2016/17 R'000
Estimate of impairment of investment		-	-
Total		-	-

The Department assesses at each reporting date whether there is any indication that the impairment loss may no longer exist or has reversed. The indicators for the impairment are positive cash flows and a value greater than carrying value. Based on the revised assessment, the investment in the CTICC no longer reflects an impairment loss. These conditions consistently improved from 2016 to 2017. Refer note 29.

13. Voted funds to be surrendered to the Revenue Fund

	Note	2017/18 R'000	2016/17 R'000
Opening balance		13 880	11 479
Transfer from statement of financial performance		6 041	13 880
Paid during the year		(13 880)	(11 479)
Closing balance		6 041	13 880

The closing balance relates to the unspent voted funds as at 31 March 2018.

14. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund

	Note	2017/18 R'000	2016/17 R'000
Opening balance		23	670
Transfer from Statement of Financial Performance		4 126	775
Own revenue included in appropriation		298	284
Paid during the year		(1 470)	(1 706)
Closing balance		2 977	23

15. Payables – current

	Note	2017/18 R'000	2016/17 R'000
Clearing accounts	15.1	-	5
Other payables	15.2	-	9
Total		-	14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

15.1 Clearing accounts

	Note	2017/18 R'000	2016/17 R'000
	15		
Salary: Government Employees Housing Scheme		-	5
Total		-	5

15.2 Other payables

	Note	2017/18 R'000	2016/17 R'000
	15		
Government Motor Transport		-	9
Total		-	9

16. Net cash flow available from operating activities

	Note	2017/18 R'000	2016/17 R'000
Net surplus as per Statement of Financial Performance		1 747	15 526
Add back non-cash/cash movements not deemed operating activities		(9 192)	(8 884)
(Increase) in receivables – current		(126)	(40)
Decrease/(Increase) in prepayments and advances		26	(3)
(Decrease) in payables – current		(14)	(612)
Proceeds from sale of capital assets		(22)	(22)
Expenditure on capital assets		5 996	4 694
Surrenders to Revenue Fund		(15 350)	(13 185)
Own revenue included in appropriation		298	284
Net cash flow generated by operating activities		(7 445)	6 642

17. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General account		32 411	39 136
Disbursements		(15 035)	(8 436)
Cash on hand		40	40
Total		17 416	30 740

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

	Note	2017/18 R'000	2016/17 R'000
Liable to	Nature		
Claims against the Department	Annex 3A	-	-
Total		-	-

The Department of the Premier (Corporate Services Centre) has confirmed that all Procedure on Incapacity Leave and Ill-health Retirement (PILIR) cases have been finalised and approved by the Head of the Department.

18.2 Contingent assets

At this stage the Department is not able to reliably measure the contingent asset in terms of the Government Employees Housing Scheme of the Individually Linked Savings Facility (ILSF), relating to resignations and termination of service.

19. Commitments

	Note	2017/18 R'000	2016/17 R'000
Current expenditure		4 046	11 711
Approved and contracted		4 046	11 711
Total Commitments		4 046	11 711

Reduction in commitments due to improved project management and cash flow management practices.

20. Accruals and payables not recognised

20.1 Accruals

	2017/18 R'000			2016/17 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	492	24	516	1 357
Total	492	24	516	1 357

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
Listed by programme level			
Programme 1		255	133
Programme 2		12	16
Programme 3		13	9
Programme 4		13	5
Programme 5		8	1 080
Programme 6		8	10
Programme 7		207	104
Total		516	1 357

Reduction in commitments due to improved project management and cash flow management practices.

20.2 Payables not recognised

		2017/18 R'000	2016/17 R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	277	139	416
Total	277	139	416

	Note	2017/18 R'000	2016/17 R'000
Listed by programme level			
Programme 1		255	3
Programme 2		16	2
Programme 3		3	1
Programme 4		25	3
Programme 5		11	45
Programme 6		2	-
Programme 7		104	73
Total		416	127

	Note	2017/18 R'000	2016/17 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 4	303	397
Total		303	397

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

21. Employee benefits

	Note	2017/18 R'000	2016/17 R'000
Leave entitlement*		3 126	3 279
Service bonus (Thirteenth cheque)		2 656	2 453
Performance awards**		1 668	1 544
Capped leave commitments		1 019	940
Other***		188	80
Total		8 657	8 296

* Included in the 2017/18 disclosure for leave entitlement is the credit amount of R389 886 for leave owed to the Department for those employees who went over their leave credits.

** Performance awards are calculated at 1.5% on the 2018/19 budget for Compensation of Employees for the Department.

*** Other refers to employees related accruals in the 2017/18 disclosure and long service awards at the reporting date 2017/18.

22. Lease commitments

22.1 Operating leases

2017/18	Machinery and equipment R'000	Total R'000
Not later than 1 year	282	282
Later than 1 year and not later than 5 years	84	84
Total lease commitments	366	366

2016/17	Machinery and equipment R'000	Total R'000
Not later than 1 year	465	465
Later than 1 year and not later than 5 years	258	258
Total lease commitments	723	723

These operating leases represent the photocopy machines in the Department as at 31 March 2018.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

22.2 Finance leases

2017/18	Machinery and equipment R'000	Total R'000
Not later than 1 year	20	20
Total lease commitments	20	20

2016/17	Machinery and equipment R'000	Total R'000
Not later than 1 year	34	34
Total lease commitments	34	34

These finance leases relate to 3G data cards in the Department as at 31 March 2018.

22.3 Finance lease commitments

As determined by the National Accountant General, the arrangement between the Department of Economic Development and Tourism and GMT constitutes finance leases. The obligation in respect of the finance leases are presented below:

	Within 1 year	2 - 5 years	More than 5 years	Total
	R'000	R'000	R'000	R'000
2017/18	2 062	2 855	-	4 917
Total lease commitments	2 062	2 855	-	4 917
2016/17	2 174	5 090	-	7 264
Total lease commitments	2 174	5 090	-	7 264

The Department of Economic Development and Tourism leased 27 vehicles from GMT as at 31 March 2018 (March 2017: 29). Daily tariffs are payable on a monthly bases, 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 le ssor, the vehicles are returned where it is sold on auction for the benefit of the lessor.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

	Note	2017/18 R'000	2016/17 R'000
Opening balance		800	-
Add: Irregular expenditure - relating to current year		4 014	800
Add: Irregular expenditure - relating to prior year		3 463	-
Less: Prior year amounts condoned		(800)	-
Closing balance		7 477	800

Analysis of awaiting condonation per age classification

Current year	7 477	800
Total	7 477	800

23.2 Details of irregular expenditure - added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
The Department incorrectly followed a transfer payment mechanism during 2017/2018, whereas a Supply Chain management process should have been followed.	Under investigation - Still to be determined	2 000
The Department incorrectly followed a transfer payment mechanism during 2016/2017, whereas a Supply Chain management process should have been followed.	Under investigation - Still to be determined	3 463
The Department incorrectly followed a transfer payment mechanism whereas a Supply Chain management process should have been followed. This was identified during the audit process.	Under investigation - Still to be determined	1 125
Non-compliance to the Supply Chain management regulations for the appointment of a supplier as well as potential sub-contracting.	Under investigation - Still to be determined	889
Total		7 477

The irregular expenditure of R5 463 000 was identified as irregular after we received additional guidance on transfer payments from National Treasury. The reason for it being classified as irregular is because the NT guidance indicated specific instances where transfer payments did not apply and therefore a Supply Chain management process should have been followed. As the Supply Chain management process was not followed the transactions resulted in irregular expenditure. The R1 125 000 was however identified during the audit process.

During the 2017/2018 financial year end audit the auditors identified potential irregular expenditure of R1 388 520 as non-compliance to the Supply Chain management regulations of which R889 000 has already been paid and therefore is considered as irregular expenditure. The balance of R500 000 has not yet been paid and therefore still considered as potential irregular.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

23.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2017/18 R'000
Compensation of Service Provider	Accounting Officer (Date condoned - 11 September 2017)	800
Total		800

24. Related party transactions

	Note	2017/18 R'000	2016/17 R'000
Payments made			
Payment for financial assets		-	65 000
Total		-	65 000

During 2016/17, the payment to Cape Town International Convention Centre (CTICC) was incorrectly classified as a transfer payment when it should have been classified as Payment for Financial Assets. The revised accounting treatment aligns to the requirements as per the Modified Cash Standard. Refer to note 30.1.

Related party relationships:

The Department of Economic Development and Tourism occupies a building free of charge managed by the Department of Transport and Public Works.

All Provincial Departments within the Western Cape are related parties.

The Department and the Department of Agriculture fall into the same Minister's portfolio. The Department of Agriculture has a total shareholding in Casidra SOC Ltd under the oversight of the Provincial Minister of Agriculture and Rural Development.

Parking space is also provided for government officials at an approved fee that is not market related.

The Department of Economic Development and Tourism received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 2010 in respect of the following service areas:

- Information and Communication Technology
- Organisation Development
- Provincial Training (transversal)
- Human Resource Management
- Enterprise Risk Management
- Internal Audit
- Provincial Forensic Services
- Legal Services
- Corporate Communication.

The Department of Economic Development and Tourism make use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury.

Department of Economic Development and Tourism received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape.

The Department of Economic Development and Tourism has two (2) public entities under its control:

- Wesgro
- Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo)

Mr S Fourie (Head of Department) is an ex-officio member of the Wesgro Board and is currently a director of the Cape Town International Convention Centre Company (Convenco).

The Department of Economic Development and Tourism has a shareholding of 23.2% (2017: 23.24%) in the Cape Town International Convention Centre Company (Pty) Ltd.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

25. Key management personnel

	No. of Individuals	2017/18 R'000	2016/17 R'000
Officials:			
Level 15 to 16	4	4 656	3 149
Level 14 (incl. CFO if at a lower level)	7	8 401	6 469
Total		13 057	9 618

26. Non-adjusting events after reporting date

There are no non-adjusting events after reporting date to note.

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Value adjust- ments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	19 783	-	4 210	(3 790)	20 203
Transport assets	6 274	-	171	(749)	5 696
Computer equipment	7 713	-	2 647	(1 817)	8 543
Furniture and office equipment	3 725	-	891	(722)	3 894
Other machinery and equipment	2 071	-	501	(502)	2 070
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	19 783	-	4 210	(3 790)	20 203

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	5 347	906	(2 043)	-	4 210
Transport assets	2 005	171	(2 005)	-	171
Computer equipment	2 633	14	-	-	2 647
Furniture and office equipment	170	721	-	-	891
Other machinery and equipment	539	-	(38)	-	501
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	5 347	906	(2 043)	-	4 210

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 817	1 973	3 790	22
Transport assets	-	749	749	-
Computer equipment	1 817	-	1 817	22
Furniture and office equipment	-	722	722	-
Other machinery and equipment	-	502	502	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1 817	1 973	3 790	22

Other Machinery and Equipment of R410 598 were donated to the beneficiaries as part of the Business Development Programme.

27.3 Movement for 2016/17

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	19 438	877	1 708	(2 240)	19 783
Transport assets	6 274	-	-	-	6 274
Computer equipment	7 508	-	1 269	(1 064)	7 713
Furniture and office equipment	3 640	-	378	(293)	3 725
Other machinery and equipment	2 016	877	61	(883)	2 071
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	19 438	877	1 708	(2 240)	19 783

27.3.1 Prior period error

Note

2016/17
R'000

Nature of prior period error

Relating to 2016/17 [affecting the opening balance]

877

Reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. The assets were donated to the beneficiaries during the same period as part of the Business Development Programme.

877

Total prior period errors

877

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018			
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	29	4 841	4 870
Additions	6	1 885	1 811
Disposals	-	(977)	(897)
TOTAL MINOR ASSETS	35	5 749	5 784

Machinery and Equipment of R80 447 were donated to the beneficiaries as part of the Business Development Programme.

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	-	161	161
Number of minor assets at cost	10	2 598	2 608
TOTAL NUMBER OF MINOR ASSETS	10	2 759	2 769

Minor Capital Assets under investigation

	Number	Value
	R'000	R'000

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

Machinery and equipment	1	1
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Assets under investigation relate to asset discrepancies identified during the stock take. The issue has been resolved subsequent to year end.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017			
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	29	4 042	4 071
Additions	-	1 249	1 249
Disposals	-	(450)	(450)
TOTAL MINOR ASSETS	29	4 841	4 870

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Number of R1 minor assets	-	257	257
Number of minor assets at cost	8	2 152	2 160
TOTAL NUMBER OF MINOR ASSETS	8	2 409	2 417

27.5 S42 Movable capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018			
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
No. of Assets	-	37	37
Value of the assets (R'000)	-	1 239	1 239

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018			
	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
No. of Assets	-	181	181
Value of the assets (R'000)	-	291	291

Assets have been transferred to the Department of Agriculture, Department of Social Development, South African Police Services and the Western Cape Liquor Authority during the financial year.

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 188	-	-	-	1 188
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	1 188	-	-	-	1 188

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

28.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Cash	Non-cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	649	-	(649)	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	649	-	(649)	-	-

28.2 Movement for 2016/17

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017					
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 188	290	-	(290)	1 188
TOTAL INTANGIBLE CAPITAL ASSETS	1 188	290	-	(290)	1 188

28.2.1 Prior period error

	Note	2016/17 R'000
Nature of prior period error		
Relating to 2016/17 [affecting the opening balance]		290
Reclassification of transfer payments in terms of the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus Goods and Services. The assets were donated to the beneficiaries during the same period as part of the Business Development Programme.		290
Total prior period errors		290

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

29. Changes in accounting estimates

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances.

	Value derived using the original estimate	Value derived using amended estimate	R-value impact of change in estimate
	R'000	R'000	R'000

Accounting estimate change 1: Change in

Impairment of investment - 2016/17	67 147	-	(67 147)
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At reporting date, the Provincial Government of the Western Cape has a shareholding of 23.2% (2017: 23.24%) in the Cape Town International Convention Centre Company (Pty) Ltd. The Department assesses at each reporting date whether there is any indication that the impairment loss may no longer exist or has decreased. The indicators for the impairment are positive cash flows and a value greater than carrying value. Based on the revised assessment, the investment in the CTICC no longer reflects an impairment loss. These conditions consistently improved from 2016 to 2017.

30. Prior period errors

30.1 Correction of prior period error - Share Purchase

	Note	Amount bef error correction 2016/17	Prior period error 2016/17	Restated Amount 2016/17
		R'000	R'000	R'000
Transfers and Subsidies - Non-Profit Organisation	7	117 866	(65 000)	52 866
Payment for financial assets	6	175	65 000	65 175
Net effect		118 041	-	118 041

During 2016/17, the payment to Cape Town International Convention Centre (CTICC) was incorrectly classified as a transfer payment when it should have been classified as Payment for Financial Assets due to the Department receiving shares in return. The revised accounting treatment aligns to the requirements as per the Modified Cash Standard.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2018

30.2 Correction of prior period error – Transfers and subsidies

	Note	Amount bef error correction 2016/17	Prior period error 2016/17	Restated Amount 2016/17
		R'000	R'000	R'000
Transfers and Subsidies – Departmental Agencies and Accounts	7	204 454	(300)	204 154
Transfers and Subsidies – Public Corporations	7	3 000	(3 000)	-
Transfers and Subsidies – Private Enterprises	7	2 950	2 378	5 328
Transfers and Subsidies – Non-Profit Institutions	7	52 866	(2 541)	50 325
Goods and Services – Consultants: Business and Advisory Services	5	48 111	1 285	49 396
Goods and Services – Legal Services	5	93	172	265
Goods and Services – Training and Development	5	30 762	2 006	32 768
Net effect		342 236	-	342 236

During 2016/17, transfer payments were analysed to identify whether the payments complied with the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus goods and services. Based on the guidance, certain payments were reclassified to correctly account for the expenditure.

30.3 Correction of prior period error – Transfers and subsidies

	Note	Amount bef error correction 2016/17	Prior period error 2016/17	Restated Amount 2016/17
		R'000	R'000	R'000
Transfers and Subsidies – Private Enterprises	7	5 328	(2 633)	2 695
Expenditure for Capital Assets – Machinery and Equipment (Other)	8	3 511	877	4 388
Expenditure for Intangible Assets – Software	8	16	290	306
Goods and Services – Advertising	5	9 551	290	306
Goods and Services – Consultants: Business and Advisory Services	5	49 396	891	50 287
Goods and Services – Consumables (Other)	5	49	126	175
Goods and Services – Contractors	5	1 174	85	1 259
Goods and Services – Training and Development	5	32 768	54	32 822
Net effect		101 793	-	101 793

During the 2016/17, transfer payments were analysed to identify whether the payments complied with the Economic Reporting Framework (ERF) and National Treasury Circular on transfer payments versus goods and services. Based on the guidance, certain payments were reclassified to correctly account for the expenditure. The amounts above relates to expenditure incurred for the Business Development of SMMEs.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT				2016/17 Division of Revenue Act
	DoRA and other transfers	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	Unspent funds	% of available funds spent by municipality		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000		
Oudtshoorn Municipality	1 500	-	-	1 500	1 500	-	-	-	-	1 500	-	-	
TOTAL	1 500	-	-	1 500	1 500	-	-	-	-	1 500	-	-	

**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17 Final appro- priation R'000
	Adjusted Appro- priation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
South African Broadcasting Corporation (SABC)	3	-	-	3	3	100%	3
Saldanha IDZ Licencing Company	46 955	-	1 200	48 155	48 155	100%	130 224
Wesgro	78 676	-	(2 000)	76 676	76 675	100%	73 927
TOTAL	125 634	-	(800)	124 834	124 833		204 154

Unspent portion relating to the above:

Saldanha IDZ Licencing Company
Wesgro

1 538
90
1 628

**ANNEXURE 1C
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE				2016/17 R'000
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Private Enterprises										
Transfers										
Cape Capital Project Fund	-	-	-	-	-	-	-	-	-	141
Casidra (Pty) Ltd	-	-	-	-	-	-	-	-	-	2 378
Agri-Processing Supplier Development Programme (beneficiaries)	4 175	(580)	-	3 595	3 530	98.2%	-	-	-	-
Premier's Entrepreneurship Recognition Awards (judges)	-	-	-	-	-	-	-	-	-	27
Oviation Destination Management Company	-	-	-	-	-	-	-	-	-	100
South African Local Government Association	-	-	-	-	-	-	-	-	-	50
TOTAL	4 175	(580)	-	3 595	3 530	98.2%	-	-	-	2 696

*The comparative figures have been restated to account for a prior period error. Refer note 30.

**ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17 Final Appropria- tion R'000
	Adjusted Appropria- tion	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
BPESA	450	-	-	450	450	100%	1 050
Cape Craft and Design Institute	375	-	-	375	375	100%	9 375
Cape Clothing and Textile Cluster	300	-	-	300	300	100%	571
Cape Digital Foundation	-	-	-	-	-	100%	1 400
Cape Information and Technology Initiative (CITI)	2 100	-	-	2 100	2 100	100%	1 550
Cape Town Fashion Council	450	-	-	450	450	100%	1 050
Clotex	300	-	-	300	300	100%	700
Cape Town International Convention Centre (Convenco) *	-	-	-	-	-	-	-
Genesis Community Community IT Initiative	400	-	-	400	400	100%	750
Green Cape	16 500	-	(5 700)	10 800	10 800	100%	14 025
National Empowerment Fund	-	-	2 000	2 000	2 000	100%	1 500
South African Oil and Gas Alliance	2 100	-	-	2 100	2 100	100%	4 900
Western Cape Economic Development Partner	10 136	-	-	10 136	10 136	100%	9 654
Western Cape Fine Food Initiative	900	-	-	900	900	100%	2 100
Western Cape Tooling Initiative	300	-	-	300	300	100%	1 700
TOTAL	34 311	-	(3 700)	30 611	30 611		50 325

*The comparative figures have been restated to account for a prior period error. Refer note 30.

**ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17 Final Appropria- tion R'000
	Adjusted Appropria- tion	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Bursaries (non-employees)	10 943	-	(338)	10 605	10 240	97%	6 915
Donations and gifts (Monetary gifts given to winners of the Premier's Entrepreneurship)	675	-	80	755	755	100%	2 065
Leave gratuity (12 employees have left the public service during the year)	46	-	34	80	109	136%	174
TOTAL	11 664	-	(224)	11 440	11 104		9 154

**ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
Received in kind			
Cape Town International Convention Centre	Cape Town International Jazz Festival tickets	2	-
G & D Guesthouse	Donation of small gifts	1	-
SEDA	Donation of small gift	3	-
Jinko Solar	Donation of small gift	-	1
University of Western Cape (UWC)	Sponsorship with regard partnership in Long Street Kiosk Project	-	100
TOTAL		6	101

**ANNEXURE 1G
STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	Opening balance	Revenue	Expendi-ture	Paid back on/ by 31 March	Closing balance
		R'000	R'000	R'000	R'000	R'000
Received in cash						
Government Technical Advisory Centre (GTAC)	Work and Skills Programme	17 111	1 551	(13 399)	-	5 263
The Manufacturing Engineering and Related Services Education and Training Authority (MerSeta)	Apprenticeship Game Changer Project	-	4 178	(750)	-	3 428
TOTAL		17 111	5 729	(14 149)	-	8 691

**ANNEXURE 2A
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO PROVINCIAL PUBLIC ENTITIES**

NAME OF PUBLIC ENTITY	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 17/18	% Held 16/17	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guarantee Yes/No
				2017/18	2016/17	R'000	R'000	R'000	R'000	R'000	R'000	
Provincial Public Entity												
Saldanha Bay IDZ Licencing Company		100	-	120	-	63	-	337 099	-	65 355	-	No
SOC Limited												
Subtotal		100	-	120	-	63	-	337 099	-	65 355	-	
Non-controlled entities												
Cape Town International Convention Centre		23.20	23.24	60 425	60 425	303 790	303 790	267 474	212 978	10 087	10 982	No
Subtotal		23.20	23.24	60 545	60 425	303 790	303 790	267 474	212 978	10 087	10 982	
TOTAL		23.20	23.24	60 545	60 425	303 853	303 790	604 573	212 978	75 442	10 982	

**ANNEXURE 3A
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018**

NATURE OF LIABILITY	Opening Balance	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2018
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					

As confirmed by the State Attorneys, there are no contingent liabilities to note.

**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18 *	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of the Premier	303	397	-	-	303	397	05/04/2018	300
TOTAL	303	397	-	-	303	397		300

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