



**Western Cape
Government**

Economic Development
and Tourism



Annual Performance Plan 2016/17
Economic Development and Tourism

Department of Economic Development and Tourism

Province of the Western Cape

Annual Performance Plan
2016/17

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FOREWORD

At the start of a new term, we set ourselves firm goals centred on growing the economy and creating jobs.

Through Project Khulisa, we identified the parts of our economy with the highest potential to deliver against our goals. We put dedicated action plans in place to grow three sectors, namely Agri-processing, Tourism and Oil and Gas. We are also focusing on key enablers, including the Ease of Doing Business, Energy Security and Skills Development.

In the 2016/17 financial year, we are putting budget behind our Project Khulisa objectives and the enablers.

We are implementing this growth strategy during a unique time. South Africa's economy has experienced a series of trials in recent months. Business confidence fell and the rand plummeted against major currencies. The drought will likely have a major effect on food prices; particularly the economics of the towns of the regions hardest hit by the drought. This will be put pressure on our most vulnerable households.

These difficulties also present new opportunities in our selected focus sectors. Due to the weaker rand, our fruit exports will be more competitive. Our weaker currency increases our attractiveness to tourists, offering the potential to boost our biggest and fastest growing jobs sector.

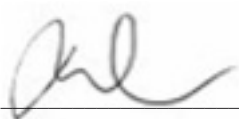
Even though our economic programmes are new, we are already seeing progress.

Tourism arrivals continue to increase and airlines are increasing the number of routes to our region. The province maintains an unemployment rate lower than the national average. We have seen investments from major global companies into our renewable energy, manufacturing and retail sectors. It has also recently been announced that the Johannesburg Stock Exchange is planning to open an office in Cape Town.

All of this speaks to the confidence we are creating in our region's economy. Business is choosing to invest in the Western Cape because they know that we are focused on creating an environment in which they can thrive.

In this 2016/17 financial year, we will continue to make choices that bring us closer to realising our vision. To achieve this, we need partnerships with residents and the private sector.

Going forward, I look forward to working together to build a successful, prosperous Western Cape.



Alan Winde
Minister of Economic Opportunities

OFFICIAL SIGN-OFF


It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Department of Economic Development and Tourism under the guidance of Minister Alan Winde
- * Was prepared in line with the current Strategic Plan of the Department of Economic Development and Tourism
- * Accurately reflects the performance targets which the Department of Economic Development and Tourism will endeavour to achieve given the resources made available in the budget for 2016/17.


Mymoena Abrahams
Chief Financial Officer

Signature:  _____

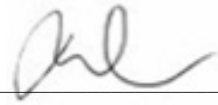
Jo-Ann Johnston
Economic Planning

Signature:  _____

Solly Fourie
Accounting Officer

Signature:  _____

Alan Winde
Executive Authority

Signature:  _____

PART A: STRATEGIC OVERVIEW

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.

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 businesses and citizens to grow the economy and employment.

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

3. VALUES

The core values the Department espouses are:

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

4. LEGISLATIVE AND OTHER MANDATES

The Department's work is within the context of several national and provincial acts and policies, the more significant of which are as follows:

4.1 Constitutional Mandate

Constitution of the Republic of South Africa 1996

Schedule 4 and 5 of the Constitution of South Africa state that concurrent national and provincial legislative competences, as relevant for Economic Development, are:

- Industrial Promotion
- Tourism
- Trade

Schedule 4A of the Constitution lists Tourism as a functional area of concurrent national and provincial competence. Section 4B of the Constitution identifies local tourism as a local government functional area to the extent set out in sections 155(6) (a) and 7 of the Constitution.

The Constitution of the Western Cape 1998

The Western Cape Constitution states that the Western Cape government must adopt and implement policies to actively promote and maintain the welfare of the people of the Western Cape, including (inter alia) the creation of job opportunities and the promotion of a market-oriented economy (Chapter 10:81).

4.2 Legislative Mandate

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

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

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

The Law establishes the Western Cape Investment and Trade Promotion Agency (Wesgro).

Liquor Act, 2003 (Act 59 of 2003)

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

Businesses Act, 1991 (Act 71 of 1991)

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

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

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 act was amended by the BBBEE Amendment Act, 2013 (Act 46 of 2013), which introduced 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 that came into effect on 01 May 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, 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, 2014 (Act 3 of 2014)

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

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

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

The Cooperatives Act, 2005 (Act 14 of 2005), as amended by the Cooperatives Amendment Act, 2013 (Act 6 of 2013)

Western Cape 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, 2013 (Act 12 of 2013)

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.

4.3 Policy Mandates

National Development Plan (NDP)

The key concepts of the NDP are:

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

The National Integrated Manufacturing Strategy (NIMS)

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

The Advanced Manufacturing and Technological Strategy (AMTS)

AMTS is a technologically advanced provincial policy which concentrates more on sector-based initiatives rather than the broad-based IMS. These initiatives are implemented through the Council for Scientific and Industrial Research (CSIR).

Western Cape Tourism Development Framework (WCTD Framework)

The WCTD framework provides for the destination vision and strategy for tourism in the Western Cape and is the high level sector strategy for tourism. The Western Cape Tourism Development Framework ensures joint planning, budgeting and implementation between the 3 spheres of government in the first instance and all of the social

partners in the second instance. The Western Cape Tourism Development Framework has defined targets and outcomes that need to be achieved over a ten-year timeframe. It is a living and dynamic document, with research constantly being added to the evidence base and analysis being adjusted as circumstances change. There will be a major review on a five-year basis.

Western Cape Infrastructure Framework

The provincial Infrastructure Framework aligns the planning, delivery and management of infrastructure, provided by all stakeholders (national government, provincial government, local government, parastatals and the private sector).

OneCape2040

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

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

Provincial Strategic Plan (PSP)

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

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

The Department is tasked with leading Strategic Goal 1: Create opportunities for growth and jobs, which can be summarised across 9 Strategic Priorities, namely

1. Invest in growing, attracting and retaining the skills required by our economy
2. Support entrepreneurs and small businesses to thrive
3. Make it easier to do business by addressing red tape
4. Invest in high quality, efficient and competitive infrastructure
5. Rebrand the region to increase internal and external investment
6. Open markets for Western Cape firms and key sectors wanting to export
7. Ensure our economic, social and environmental sustainability
8. Demonstrate leadership which promotes an improved regional economic eco-system (governance) and embraces innovation
9. Improve our visitor economy through destination marketing

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.

4.4 Relevant Court Rulings

Not applicable

4.5 Planned Policy Initiatives

In keeping with the key objectives espoused in the National Development Plan and the vision of the One Cape 2040 for a growing, resilient and inclusive economy in the Western Cape, the Department will seek to deliver on the strategic goals contained in the Provincial Strategic Goal 1 which envisions an economy which creates an environment in which there are abundant opportunities for growth and jobs. The Department embraces the leadership role required to deliver on the plans and aims for economic resilience to ensure the creation of an environment conducive to growth and inclusion.

The Department will deliver in all of the 9 strategic interventions contained in PSG1 through its cross-cutting and area-specific interventions, ensuring that programs for change are established in both the geographic and economic spatial dimensions.

Whilst the Department supports a whole of society dimension for economic interventions, focus will be placed on the industries identified as key economic drivers:

- Oil and Gas Servicing Industry
- Productive Economy including Agri-processing
- Financial and Professional Services , which includes the Business Process Outsourcing Industry
- Visitor Economy

The industries listed above forms the bedrock upon which the Department will land the cross cutting enabler programs of skills development, design and innovation, green economic stimuli and catalytic infrastructure. In addition the Department's key responsibility of providing economic leadership will enable the linkages both horizontally and vertically between the cross cutting programs and the businesses within the various industries, to ensure optimisation of government effort and activities

The Department's key strategic objectives over the next 5 years will be to:

1. Provide Economic Growth Leadership

It is incumbent upon the Department to provide the vertical and horizontal leadership within the economy in order to enable all economic stakeholders to pull together to make the Western Cape a growing, resilient and inclusive economic leader in South Africa. In order to effectively discharge this mandate, the Department will:

- Strategically engage with business in order to ensure that business partners with government for the betterment of the region's economy.
- Provide innovative and responsible economic policy development which will link and align the economic change approaches within the economic spatial and geographic platforms:
- Stimulate the promotion of collaboration for economic benefits with various economic stakeholder organisations inter alia:

Business, Government and Academia:

- Promote the provision of inter-governmental lobbying, advocacy and influence for economic growth..

2. Reduce the cost and improve the ease of doing business

Red Tape is the primary inhibitor of successful economic growth and is largely caused by 2 fundamental issues, namely economic unfriendly legislation and inefficient processes and procedures. It is the Department's objective to effectively address both these primary underlying causes of red tape and therefore the Department will:

- Implement a Regulatory Impact Assessment process to determine the economic impact of new and existing legislation within the province.
- Identify, investigate and fix problematic bureaucratic processes.
- Lobby and provide advocacy for a business friendly and competitive legislative environment particularly within the SMME environment.
- Identify, investigate and bring about change to key inhibiting red tape enhancing legislation.

3. Establish and promote an innovative and competitive business environment.

The Western Cape must be seen as the economic hub which promotes and drives innovative and creative methods for economic resilience, inclusion and growth. There is already a thriving design and creative ethos with the region and it is the Department's intention to continue and expand its interventions within this exciting arena. The key actions of this strategic objective will be to:

- Promote creativity and innovation within the economy to meet the new challenges facing key job propelling and labour absorbing industries, trade orientation, investment and export promotion.
- Actively engage in the expansion of the Green Economy, thereby creating sustained and integrated solutions to many economic challenges and to ensure job creation opportunities.
- Establish a design orientated approach to the economy through the establishment of design solutions which establishes the region as both competitive and dynamic.
- Develop collaborative partnerships between industry, government and university to enable optimum research capabilities.

4. Develop key skills to match the growing demand for appropriate skills for the economy and thereby to enhance regional competitiveness

This will necessitate a review of the systemic and underlying causes of the challenges facing business when the matching of available talent to skills demand is vastly inappropriate. In order to reduce the gap between the skills demanded by the economy and those supplied by the various education institutions, the Department will specifically focus on the following key areas over the next 5 years:

- Artisan Development
- Innovative, creative and design capabilities
- Financial, business outsourcing and Digital Economy skills
- Constant assessment and re-assessment of the skills gap
- Systemic interventions to improve the science, technology, engineering and maths qualifications
- Develop entrepreneurial skills set, particularly aimed at young people
- Placement of young people in work places in order to address the challenges of experiential learning

5. Invest in key economic catalytic infrastructure

Effective and efficient infrastructure is critical for ensuring the effective functioning of the economy. It is critical that there is continued investment in key catalytic economic infrastructure since this will enable an on-going economic activity and growth which underpins increased economic benefits. The Department will therefore focus on:

- The support and development of key catalytic infrastructure projects which promote medium to long term economic gains.
- Provision of input to the roll out of Broadband to the communities and business especially within industries which require access to big data.
- Identification of the spatial infrastructure needs which will underpin the rural economy.
- The development of a provincial energy strategy which provides energy dependency security within the region.

6. Promote the global profile of Cape Town and the Western Cape

The promotion of Cape Town and the Western Cape as both a visitor and investment destination is a key strategic objective which will ensure that both our tourism industry and the direct investment sectors sustain impressive growth trajectories. In order to achieve this objective the Department will:

- Effectively utilise the assets of the Western Cape as a springboard for greater continental and global investment.
- Utilise and build upon Cape Town's global brand attraction as a destination puller and hub for regional growth.
- Implement actions to promote Cape Town as a business tourism destination and to develop new tourism niche markets for expanded growth.
- Promote the City and the Region as an attractive centre of excellence for key industry hubs (Visitor, Medical, Oil and Gas Servicing, Financial and other business services).
- Promote direct access between Cape Town and key market destinations.

7. Promote Trade and Investment for Africa Growth and Development

Whilst the region has many and varied markets in which trade and investment is and will continued to be promoted, it is a strategic imperative to have a specific focus on the African Market as a key investment and trade destination. Cape Town is uniquely positioned between the East and West and given the inherent geographical and resource assets, it has the potential to add significantly to economic growth for global firms seeking to invest in Africa.

It is therefore incumbent upon the Department to finalise the Africa Trade and Investment Strategy and to ensure that programs are put in place which will add significantly to the positioning of the Western Cape as a key trading region for Africa. This will be particularly focussed on the export readiness of small and medium enterprises for trade into Africa, promotion of the region's capabilities to be a hub for African trade and a centre of excellence for housing global headquarters for multi-national firms wanting to do business on the African continent.

5. UPDATED SITUATIONAL ANALYSIS

5.1 Performance Environment

Global Economy¹

On the whole, global economic growth appears to have stabilised in recent times. According to the IMF, world economic growth of 3.4% in 2014 is set to decline marginally to 3.3% in 2015, but will improve significantly to 3.8% in 2016. Lower oil and other commodity prices are expected to support the global economic recovery through lower inflation and should provide room for continued expansionary monetary policy. The downside risks to global growth are decelerating growth in China; slowdown in emerging markets; Greece crisis; the possibility of financial market volatility as interest rates in major economies rise; ageing populations in advanced economies; geopolitical tensions; and high youth unemployment.

Inflation in advanced economies has stabilised and begun to move upwards in the past few months in the wake of a mild rebound in commodity prices from their lows at the beginning of the year. In emerging markets, the picture was somewhat different, with inflation a real problem in some countries where exchange rates have fallen quite sharply over the past year. Commodity prices over the past year have suffered their biggest declines since the global recession of 2008/09. Excess capacity, driven by huge increases in supply and development of new resource projects, has supplemented relatively weak demand, especially from emerging markets such as China, to create the kind of imbalance that has driven prices downwards. As a result, inflation is unlikely to raise all that much in the short term.

In spite of repeated insinuations by Fed officials to the effect that US interest rates would indeed begin to rise before the end of this year, Chairperson Yellen has suggested that even if this happens, it does not portend a steep further increase in rates subsequently. Instead, she has hinted that the upward trend of interest rates, towards so-called "normalisation", will be a gradual one. From a longer-term point of view, the huge headwinds faced by financial markets are represented by the impact that a prospective rising trend of interest rates will have on investor confidence. An abundance of global liquidity generated by successive waves of quantitative easing and the prevalence of interest rates at historically low levels over seven years have been the driving force underlying the positive performance of financial markets. It is therefore understandable that any moves to unwind the liquidity flow could have serious adverse ramifications on financial markets.

In the shorter term, the anxiety surrounding concerns relating to a fallout from the Chinese equity market crash are likely to sustain volatility and a lack of progress in global equity markets. Most recently, the most significant development on foreign exchange markets has been the depreciation of emerging market currencies, especially those of countries with large current-account deficits, vis-à-vis the currencies of advanced economies.

Essentially, the build-up of the Greek debt crisis and the sell-off on the Chinese equity market has spurred an increase in risk aversion towards emerging markets. Currency movements amongst emerging markets have been relatively mixed, with some of the Asian currencies holding up extremely well against the Dollar, but currencies of troubled economies such as Brazil and Turkey losing ground heavily.

¹ Information sourced from "Quarterly Economic Outlook – Summary Q3 2015" published by Econometrix 7 August 2015 • Vol 21915/0807

National Economy

At a national level, the economy expanded by 1.5% in 2014 and is projected to grow by 1.4% in 2015 and 1.3% in 2016 (IMF, October 2015). This growth rate is influenced by both exogenous and endogenous factors. Regarding external factors, the slowing down of growth in leading emerging market countries have a knock on effect on trade (especially exports). Inflation most recently has risen moderately and on 23 July 2015, the MPC decided to raise the repo rate by 0.25%. This was the first such increase in a year and took the repo rate up to 6.0%. The MPC then decided to maintain the rate at 6% at its last meeting on 23 September 2015. The 12.7% increase in the electricity tariffs at the beginning of July in many municipal areas, combined with such increases already instituted in the business sector in April, is likely to result in possible knock-on effects still to be felt in consumer prices. The considerably more than inflation increase in electricity tariffs may erode some of the hope of higher growth in consumer spending in the future.

The fall in fuel price assisted in keeping inflation within the Monetary Policy Committee's 3-6% band. The Rand has maintained its overall depreciating trend against the Dollar, which has been in place for the last four years. The South African currency has depreciated substantially against the Dollar and has surpassed \$1: ZAR 13 in 2015. The trend has been that employment creation in the formal sector lags behind overall GDP growth, which is clearly a function of a number of structural impediments, including insufficiently well qualified and educated workers. These labour market challenges translated into unemployment remaining high, with a quarter of the labour force not employed.

Growth will remain low given the global slowdown which weakens global demand for South African exports and lowers commodity prices, which in turn restrains exports and can weaken the external position, pushing the Rand into an even weaker position and fuelling inflation (IHS Connect). The World Bank in its Focus on Competitiveness's South Africa Economic Update Report (2014) identified electricity together with transport and ICT as areas that need to be improved.

Provincial Economy

The Western Cape's performance environment is influenced by both global and national economic developments. The factors affecting the national economy had a knock on effect on the provincial economy. The Province's response to some of the challenges it faced such as unemployment, low growth, skills shortages and energy concerns are tackled strategically by the Provincial Strategic Plan (PSP) and Provincial Strategic Goal 1 (PSG 1). Among a number of initiatives aimed at creating inclusive growth, there will be a focus on:

- Khulisa, which proposes to prioritise three sectors - tourism, agri-processing and rig repair in the first horizon and grow GVA and create jobs;
- Energy Security, which aims to develop alternatives to the current energy mix in order to create sustainable economic growth; and
- Skills Development, which aims to address the structural challenges in the labour market by developing a skills framework that addresses business skills requirements.

The rate of economic growth in the Province remains subdued at 2%, being 0.5 percentage points higher than the national average of 1.5%. The figure below shows the average annual growth by district in 2014:

Figure 1: Average Annual Growth

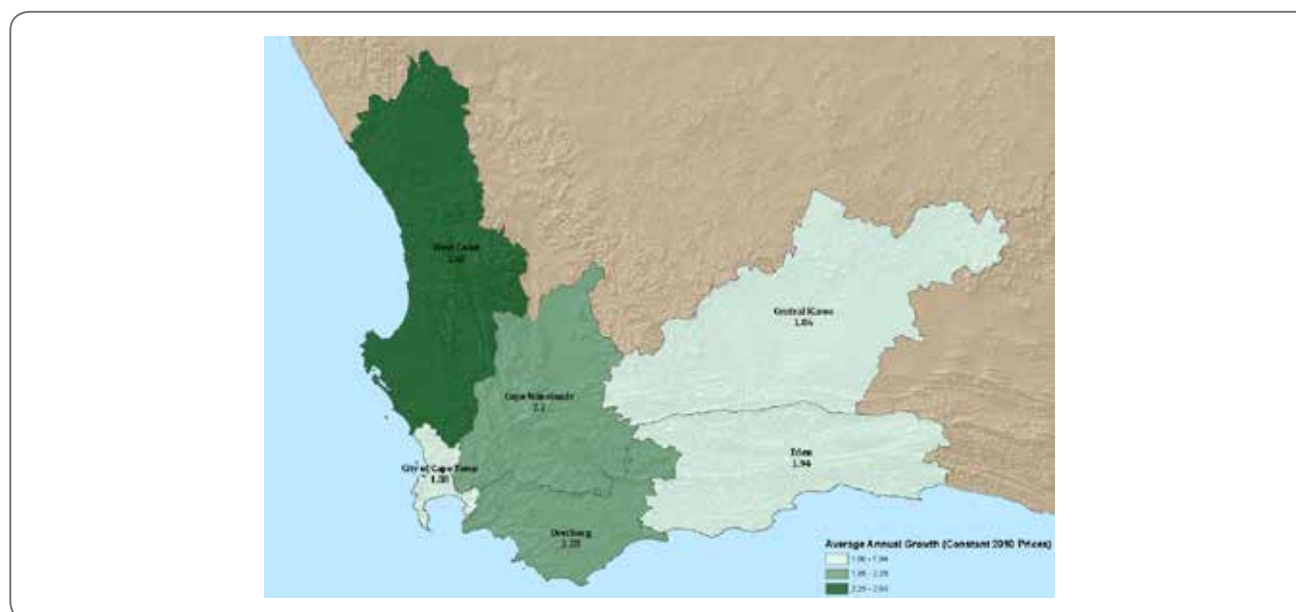


Figure 1 above shows that the average annual growth for West Coast, Overberg and Cape Winelands was above 2%. Eden, City of Cape Town and Central Karoo show average annual growth rates below 2% in 2014. Linked to these growth rates is the spatial distribution of economic activities with non-metro areas showing growth in agriculture which is a feeder sector to agri-processing. Continued growth in the non-metro areas is envisaged to strengthen the rural economy.

On performance, the structure of the Western Cape economy remains services oriented. The table below shows key economic sector's share of regional Gross Value Added (GVA) since 2010 for broad sectors:

Sector's Share Of Regional Total (%)						
Sector	2010	2011	2012	2013	2014	2015(F)
1 Agriculture	4.3%	4.1%	3.9%	3.7%	4.0%	3.9%
2 Mining	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
3 Manufacturing	16.4%	15.2%	15.1%	15.2%	15.2%	14.8%
4 Electricity	2.2%	2.3%	2.7%	2.7%	2.7%	2.6%
5 Construction	4.3%	5.1%	5.2%	5.8%	6.0%	6.1%
6 Trade	15.8%	17.6%	16.1%	16.8%	16.6%	16.6%
7 Transport	10.3%	10.4%	10.8%	10.7%	10.5%	10.5%
8 Finance	29.1%	27.7%	28.5%	27.2%	27.3%	27.7%
9 Community services	17.2%	17.4%	17.4%	17.6%	17.5%	17.4%
Total Industries	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: IHS Global Insight

The financial services sector remains the leading sector in terms of contribution to regional GVA, although its share of contribution has declined from 29.1% in 2010 to 27.3% in 2014. The sector is expected to experience a slight increase in its share in 2015, by 0.4 percentage points to 27.7%.

The rate of unemployment remains high at 20.6% in quarter 3 of 2015 (StatsSA, QLFS), which is 4.9 percentage points below the national average. This rate of unemployment, when viewed in absolute terms, means that 603 000 people who are willing and able to work are unemployed. The labour absorption rate provides an alternative indication to the unemployment rate regarding the lack of job opportunities in the labour market. It measures the proportion of the working aged population that is employed. Using this measure, the Western Cape has outperformed all other provinces with an absorption rate of 54% during 2015 (StatsSA, QLFS: Q3, 2015).

Given the levels of unemployment the Department is focused on creating an environment to encourage job creation through:

- Strategic intervention in skills development;
- Access to fast and cheap internet (broadband);
- Improving the ease of doing business;
- Promoting labour absorbing sectors; and
- Promoting growth of catalytic infrastructure.

In order to fully understand the challenges and opportunities facing the Department, a brief SWOT analysis is presented below:

Strengths	Weaknesses
<ul style="list-style-type: none"> • The Department has a red tape reduction unit that tackles economic unfriendly legislation and inefficient processes and procedures with the aim of creating an enabling environment for business to thrive, thus promoting economic growth and employment creation. • The Department is actively involved in supporting investment in key catalytic economic infrastructure (e.g. broadband) which will promote sustainable economic development. • The Department is actively involved in skills initiatives to meet industry and business requirements in a way that speaks to the challenge of unemployment. • The Department is actively involved in promoting labour absorbing and growth propelling sectors through Project Khulisa. 	<ul style="list-style-type: none"> • The Department faces low economic growth and a high rate of unemployment (especially among the youth). • The main challenges facing the Department in its endeavour to promote the tourism sector (as identified in Khulisa) are: <ol style="list-style-type: none"> 1. Lack of clear tourism brand and well-coordinated tourism marketing efforts. Uncoordinated tourism efforts lead to either duplication of efforts or competition in some instances. 2. Limited direct flights to the region from various international source markets. 3. A tourism strategy that does not articulate a sufficiently clear selling proposition. • An agri-processing sector which is facing challenges in accessing export markets, access to energy and water, logistics and infrastructure, and inadequate skills and investment in research and development.
Opportunities	Threats
<ul style="list-style-type: none"> • There is an opportunity for the Department to promote export growth through the use of existing trade agreements (both regional and national). • Khulisa offers an opportunity to promote a favourable environment for economic growth, employment creation and general spatial development. • The Department can seize the opportunity to coordinate value addition prospects to firms in the regions (especially in agri-processing), a move which will increase the value of exports and promote business growth. • The currency depreciation offers an opportunity for the Department to promote exports and tourism through price competitiveness • The strong agricultural capability of the region offers an opportunity to promote agri-processing. The sector is considered labour absorbing and encourages growth of the agriculture sector, which promotes spatial development. • The existence of a number of tertiary institutions (university, technikons, and colleges) in the province, if well leveraged, provides an opportunity for the Department to collaborate with these institutions for them to mould the skills required by industry. • The Saldanha IDZ offers a prime opportunity to create employment in both the manufacturing sector and related downstream industries. • Revision of visa requirements should offer an opportunity for the Department to resuscitate growth of tourism in the province. 	<ul style="list-style-type: none"> • The current energy crisis may scuttle strategies to grow the economy. Khulisa targets three sectors in the first horizons, wherein two of them are energy intensive (Oil and Gas, and Agri-processing). • A threat to the growth in tourism is the high level of crime and violence which may create negative perceptions about the country in general and the province in particular and impact demand from foreign tourists. • Weak global demand due to a plethora of factors in both developed and emerging economies may affect exports and thus limit Departmental efforts to grow the economy through both exports in agri-processing and tourism. • The current global climatic changes may affect agriculture, a feeder sector to agri-processing and threaten the Department's target of achieving growth and employment through promoting agri-processing. • Inflationary pressures driven, by the anticipated drought, may impact on resources needed for various Departmental interventions, particularly within the agri-processing sector.

The Department also remains resolute in tackling economic challenges through a facilitatory /advocacy role and implementing strategies to combat the impact of the challenges.

5.2 Organisational Environment

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

Flowing from the Provincial Strategic Plan, the Department of Economic Development and Tourism (DEDAT) has been mandated to take the lead role in driving the Western Cape Government's agenda for Provincial Strategic Goal 1 (PSG1), namely to create opportunities for growth and jobs. This will be done under the direct leadership of the Minister of Economic Opportunities, and the agenda for PSG1 will also be delivered in collaboration with other departments such as Agriculture, Transport and Public Works and Environmental Affairs and Development Planning.

In pursuing its objective to fulfil the aims of PSG 1, DEDAT will drive a 7 point 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.

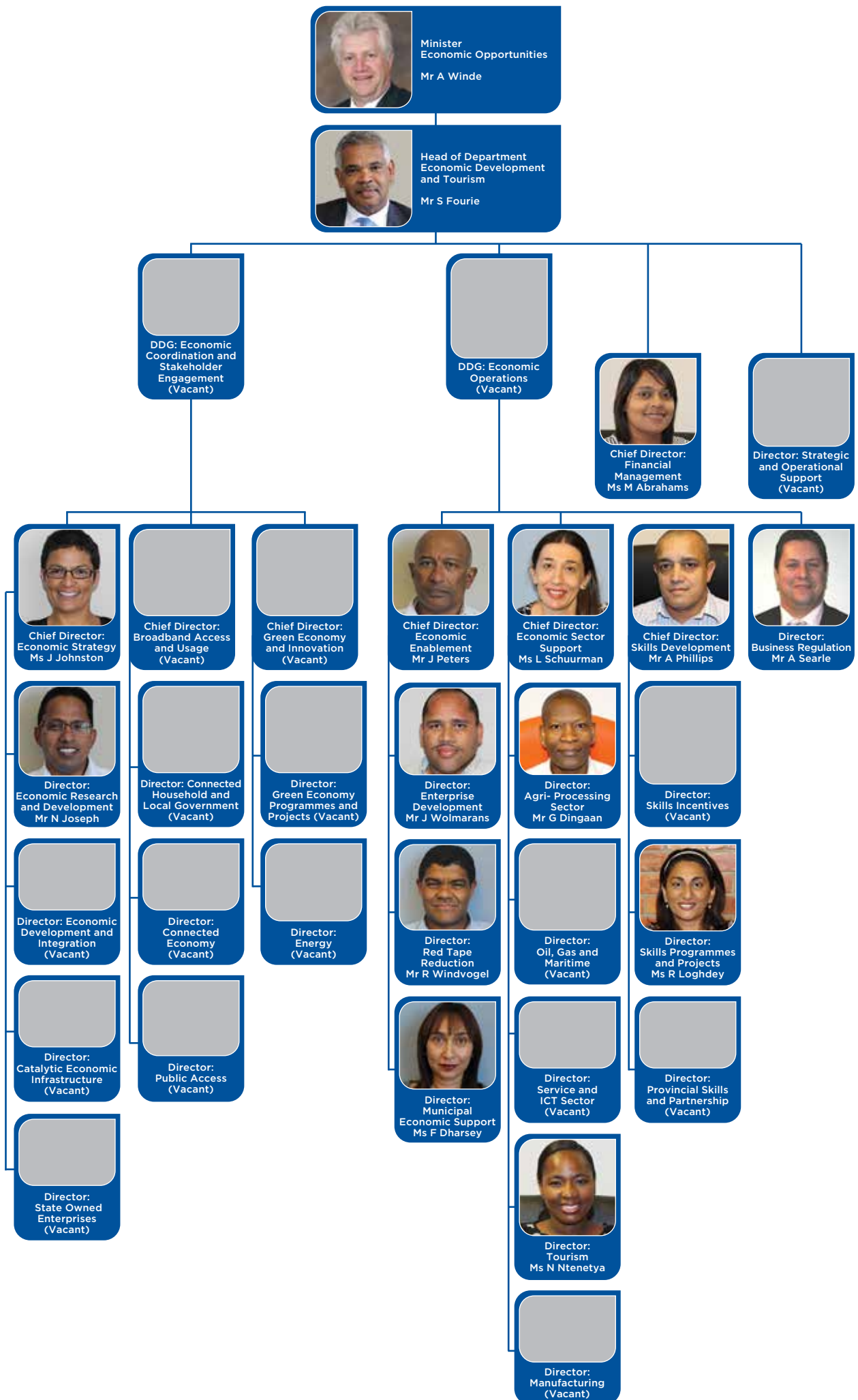
Given the broad and often transversal nature of the aforementioned strategies and in giving impactful expression of these strategic priorities, the Department recognises that an internal structural alignment is required. The engagement of the economic role-players is critical for success in the delivery of PSG1 and in particular the attainment of an understanding of the needs of firms to make them more competitive and by extension, making the region more competitive to attract external investment.

As part of the broader modernisation of departments in the Province, DEDAT underwent an organisational design process during 2013 and 2014, culminating in the approved structure being communicated to staff during 2015. Implementation of the structure commenced in phases during 2015 and will continue in 2016, balancing the need for appropriate structure implementation with budgetary compliance.

The introduction of PSG 1 will also necessitate an appropriate skills matching exercise and during 2016, phase 1 of the implementation will be completed and phase 2 will probably be commenced.

The key attributes of the new structure will be to enhance interaction with the economic stakeholders at the highest levels, the horizontal and vertical leadership role DEDAT will exercise across the whole of the economy and the specific influence which will be exerted within the key focus industries. The structure will also enable DEDAT to play a major role which in ensuring that the economic enablers meet the expectation of industry and that an enabling environment is created in which business will grow and expand.

In order to ensure that the appropriate skillset within the Department is achieved we will embark on a focused recruitment and selection drive to ensure that the right people with the right skills set and experience are employed for effective service delivery.



5.3 Description Of The Strategic Planning Process

Provincial Strategic Plan (PSP)

In order to rationalise and streamline the Province's strategic agenda for more effective delivery, the Provincial Strategic Plan (PSP) was developed in 2014. The PSP is a five-year plan that sets out the Western Cape Government's strategies and plans for the next five years. It consists of 5 Strategic Goals, namely

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

Provincial Strategic Goal 1

Flowing from the Provincial Strategic Plan the Department has been tasked with leading Provincial Strategic Goal 1 (PSG1): Create opportunities for growth and jobs. In giving articulation of PSG1 Project Khulisa, which means "to grow" in isiXhosa was initiated. The purpose of Project Khulisa was to accurately identify parts of the Western Cape economy with the greatest potential for accelerated and sustained growth and job creation. The strategic structure for the project consisted of a steering group comprising of Western Cape's Ministers of Economic Opportunities; Transport and Public Works; Environmental Affairs and Development Planning; and the Deputy Mayor and Mayco member for Economic Development at the City of Cape Town. The leadership team consisted of all key decision makers from departments represented in the steering committee.

Strategic Goal 1 lists three major objectives. These include (i) Make it easier to do business in the Western Cape, (ii) Boost the competitiveness of the economy, and (iii) Promote our region in national and international markets. In past years the Department intervened across a wide breadth of the economy through interventions that held promise of economic impact. Because of limited resources, interventions could not be funded to the extent that would maximise economic impact. Through Project Khulisa a deliberate decision was made to prioritise economic interventions through intervention lenses within the context of limited resources and recognised that governments often attempt to do too much with too few resources, often leading to sub-optimal outcomes. As the game-changer of the Provincial Strategic Goal 1, Project Khulisa focuses on maximising job creation and growth within a 5 year timeframe to address the pervasive unemployment challenge of the region. Having undertaken an extensive analysis of historical trends and consultations with targeted stakeholders, Agri-processing, Tourism and the Oil and Gas industries emerged from Project Khulisa as the sectors with the maximum job-creation potential.

Department's Role

In critically examining the Department's role in achieving PSG1, the Department has agreed to shift its focus from an interventionist model to one of economic leadership, in which the Department will concentrate on enabling economic growth, rather than intervening in the economy. This will involve partnerships, advocacy, and the leveraging of funding, and will be introduced in a phased manner over three to five years.

6. STRATEGIC OUTCOME ORIENTATED GOALS OF THE INSTITUTION

In unpacking the Department's strategic goals, the Department's five-year strategy uses a simple taxonomy used to review current baselines and to inform strategic imperatives. It is within the taxonomy where strategic goals and outcomes are articulated. The taxonomy organises interventionable domains as Productive, Enabling and Social sectors.

- Productivesectorsarespecificandcontribute to the region's competitive environment. The three key productive sectors that will be supported within the first 3 to 5 years are Oil & Gas, Tourism and Agri-processing. A further three sectors will be focused on from year 5 to year 10. These sectors include Business Process Outsourcing, Renewables and Film. Roadmaps and intervention articulation for the second set of sectors will be defined within the next 5 years
- Enabling sectors act as powerful catalysts to accelerate the growth of the whole economy. Furthermore, they play a crucial role in the stimulation of economy wide competitiveness. Enabling sectors include electricity, water, ICT, logistics and financial services.
- Social sectors are the fundamental building blocks upon which the economy rests. They include education and health related sectors.

In articulating areas of intervention within the context of the taxonomy, figure 2 describes the enabling sector interventions within the productive sectors. The figure below also describes the overlapping enablers across productive sectors.

Figure 2: Enablers within Productive Sectors

		Severity of the challenges faced by the sectors						Description and examples
		BPO	Agri-processing	Tourism	Oil and gas	Renewables	Film	
Energy		Urgent	Urgent	Mild	Urgent	Mild	Mild	<ul style="list-style-type: none"> High cost and uncertain supply of electricity High cost and poor quality of coal
Water		Not a current issue	Urgent	Mild	Urgent	Not a current issue	Not a current issue	<ul style="list-style-type: none"> High cost and scarcity of water Example in the oil & gas industry: there is not enough water in Saldanha Bay for the IDZ
Skills		Urgent	Mild	Not a current issue	Urgent	Mild	Mild	<ul style="list-style-type: none"> High cost and scarcity of labour at all levels Example in the film industry: good output of actors/directors but shortage of technicians
Bulk infrastructure		Not a current issue	Mild	Not a current issue	Urgent	Not a current issue	Not a current issue	<ul style="list-style-type: none"> High pressure on current systems and need for significant addition (e.g., in Saldanha)
Lobbying national government	Facilitation	Urgent	Urgent	Not a current issue	Urgent	Mild	Mild	<ul style="list-style-type: none"> WC industries struggling to mobilize national administration (e.g., mobilisation of DAFF to help lift the ban on raw ostrich meat) Change in national regulations (e.g., Visa issue in the film industry; B-BBEE compliance for DTI's BPS incentive in the BPO industry)
	Legal change	Urgent	Not a current issue	Urgent	Urgent	Mild	Urgent	

■ Urgent ■ Mild ■ Not a current issue

Tourism

Tourism is one of the significant job creating sectors in the province but has not achieved its growth and job creation potential. As a tourist destination, the province demonstrates obvious advantages but challenges that will be addresses by the Department within the next 5 years include:

- Awareness.** The Western Cape will develop a clear tourism brand and co-ordinate tourism marketing efforts within the province amongst SA Tourism, the City of Cape Town, other municipalities and Wesgro. The Department will identify key source markets that can grow relatively quickly.
- Accessibility.** In improving accessibility to and within the Province, the Department will agitate for a simpler and easier visa processes particularly for identified growth markets and address issues regarding flights to the Western Cape. Within the Province, the Department will address issues regarding tourist logistical issues and impediments for tourists to move easily within the Province.
- Attractiveness.** It is recognised that the Province attractiveness is underdeveloped, particularly its cultural and heritage components that accentuates its unique history. Over the following 5 years the Department will develop its attractiveness as a tourist destination.

- d) **Seasonality.** It is recognised that a sustainable tourism industry has to address counter seasonality. In doing so the Department will grow winter tourism to supplement peak tourism times through further niche development.

Agri-Processing

Agri-processing is a large GVA and employment contributor. Directly it contributes more than R12 billion and 79 000 jobs to the regional economy. More importantly it absorbs low skilled employment in rural areas. Low skilled workers and rural geographies are areas with the highest levels of unemployment. The analysis team estimates that within a high growth scenario, GVA could increase to R26 billion and could add a further 100 000 formal direct jobs.

In achieving the sectors growth potential, the following areas, in partnership with the Provincial Department of Agriculture, will be actioned over the next 5 years.

- a) **Market Access.** Significant barriers to market access are experienced by the local industry. The split of responsibilities between the DTI, DAFF, Provincial Government and other national bodies complicates matters in addressing market access. An approach will be developed and actioned within the next 5 years to address issues regarding market access by strengthening the promotion and support for Western Cape agri-products.
- b) **Access to energy and water.** South Africa and the Western Cape are a relatively water scarce country and province. The lack of suitable water infrastructure hinders the development of the agricultural sector. In partnership with the Department of Agriculture the Department will develop an approach to addressing rural water scarcity. Electricity is very much a national problem. However, the Department will explore potential responses to energy problems experienced by the industry.
- c) **Logistics and infrastructure.** The sector is held back by poor, expensive and slow logistical infrastructure, which includes rail, port and road infrastructure. Inter-governmental and provincial inter-departmental approaches will be developed in addressing logistical issues experienced by the sector. Furthermore, the Department will explore the feasibility of the development of specialised agro-processing parks that provides improved infrastructure, R & D skills development facilities and other shared services.

Oil and Gas

The Western Cape Oil and Gas sector employs 35 000 direct formal jobs mainly in an Oil and Gas servicing capacity. It is estimated that the sector could add a further 60 000 jobs within the next 5 years. The key impediments to growth in the sector are supply side constraints such as infrastructure and skills shortages.

- a) **Infrastructure.** Industry growth is impeded by insufficient infrastructure suitable for rig repair. The Western Cape Government recognises that the development of infrastructure that will support growth of the sector is beyond its responsibility and mandate. The Department will monitor current plans to expand rig repair infrastructure in Saldanha by the TNPA and agitate for further infrastructure improvements required to support sector growth. It will further support the industry by agitating for other support infrastructure within the envelope of the provincial mandate such as road and water projects required for sector growth.
- b) **Skills.** Suitably qualified and experienced skills are a significant drag on industry growth. The Department will facilitate the development of suitable skills programs accompanied by apprenticeship support to ensure the availability of an experienced workforce.

Strategic goal of the Department

Strategic Objective	Create opportunities for growth and jobs .
Objective Statement	To facilitate the acceleration of economic growth through increased jobs and increased GVA of R25 billion by 2020.
Justification	<p>Policies and strategies that encourage strong, sustained, job-creating economic growth are the absolute prerequisites for achieving the Western Cape Government's overriding goals of combating poverty and promoting opportunities for all.</p> <p>Our approach to realising this is based on the tenet that provincial governments do not grow the economy or create jobs. Businesses grow the economy and create jobs. What this means is that growth of the kind that we want depends, to a great extent, on how we-I businesses perform.</p> <p>However, strong global forces like trade liberalisation, the introduction of barriers to our exports by rich countries and the information revolution have made the environment in which businesses have to operate increasingly difficult, especially for the small and medium-sized businesses that dominate our economy. This is exacerbated by the fact that the governments of our strong competitors have put in place measures to support their businesses to overcome these problems.</p>
Links	This goal is directly linked to the NDP, MTSF, OneCape 2040 and the Western Cape Government's Provincial Strategic Plan (PSG 1).
Baseline	<p>5 Year baseline: 318 000 jobs and GVA of R30bn in Khulisa sectors.</p> <p>Annual baseline: 318 000 jobs and GVA of R30bn in Khulisa sectors.</p>

Strategic risks to the strategic goals of the Department

The Department's top management has identified key strategic risks for 2016/17 which may negatively impact on the attainment of the Strategic Goals. Mitigation plans are being put in place in order to minimise the impact and likelihood of these risks becoming real threats to the operations. The management of these risks are captured in the Department's risk register. The risks are as follows:

1. The dependency of Broadband/stream 2 on the delivery of other WCG broadband projects which will result in the inability to increase broadband uptake in the economy.
2. The failure of other provincial departments, national departments and local municipalities to support and implement green economy projects which will result in failure to realise of the green economy strategic framework objectives.
3. Inability to access IT systems and related information in the event of a significant disruption or disaster. This may result in a negative impact on the DEDAT business processes that are dependent on the use of IT.
4. The inability to effectively deliver on the leadership and enabling role in key delivery resulting in failure of the strategic objectives.
5. The Department is not able to manage the expectations and the needs of citizens and businesses raised as a result of its projects/interventions which will result in a loss of credibility and a decline in a failure to reach the 15% target uptake in broadband.
6. Inadequate and ineffective client interfaces that lead to limited opportunities for business to engage with regulators and hence an environment not conducive to business development and growth.
7. Inadequate information security measures due to low implementation of the Provincial information security standards, resulting in a limited ability to protect sensitive information (as required by POPI legislation) and potential reputational damage.
8. Lack of a fully integrated and seamless skills development value chain resulting in insufficient numbers of appropriately qualified artisans and vocational workers to meet the needs of the priority economic sectors.
9. Taking on board new mandates without the appropriate resources resulting in the Department not able to deliver on the objectives of the new and existing mandates.
10. No or limited intergovernmental co-operation which results in a business climate not supportive of economic growth and development.
11. Strategy of key economic stakeholders not supporting key objectives within Project Khulisa Strategy which may lead to a failure to achieve the pre-determined outcomes.

Programme 1: Administration



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

PART B: STRATEGIC OBJECTIVES

7. PROGRAMME 1: ADMINISTRATION

7.1 Purpose

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

7.2 Programme structure

The Programme is structured as follows:

Sub-programme 1.1: Office of the Head of Department

- To manage and direct the Departmental transversal administrative programmes that give leadership to the Department.
- To effectively maintain an oversight function of the whole Department's mandate and function.

Sub-programme 1.2: Financial Management

- To provide an effective financial management function.
- To ensure implementation of the PFMA and other related financial regulations and policies.
- To provide planning and budgeting support to the Department.
- To make limited provision for maintenance and accommodation needs.

Sub-programme 1.3: Corporate Services

- To provide a strategic support function to the Department.
- To ensure the rendering of ICT, human capital, corporate assurance, legal and communication support services to the Department.
- To render communication services to the Department.
- To monitor and evaluate Departmental performance.
- To develop and manage knowledge and information systems, records and co-ordinate ICT.

7.3 Sub Programme 1.2: Financial Management

7.3.1 Performance Delivery Environment

As noted in the Department's Five Year Strategic Plan, 2015-2020, it is incumbent on this Programme to offer a world class corporate services function - including Financial Management and Communication services to the entire Department. This corporate services function is to be delivered in a manner that espouses the principles as enshrined in Chapters 10 and 13 of the Constitution of the Republic of South Africa (Act 108 of 1996). This compels all spheres of Government to ensure that the principles of a high standard of ethics are promoted and maintained and that efficient use of resources is promoted. According to the Act, the state should also be encouraged to be development-orientated, ensure transparency and accountability.

To give effect to the above-mentioned principles, the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) and Public Service Act, 1994, were promulgated, which has as its main aims:

- Modernise systems of financial management in the public sector.
- Enable public sector managers to manage, holding managers more accountable.
- Ensure timely provision of information.
- Eliminate waste and corruption in the use of public assets.

Provincial Strategic Goal One (PSG 1) – Project Khulisa

The Department supports both, Provincial Strategic Goal 1 (PSG 1): Create opportunities for growth and jobs and PSG 5: Embed good governance and integrated service delivery through partnerships and spatial alignment.

Programme 1 however, in its unique position as the support structure, must endeavour to integrate its processes into the two goals in a manner that allows for equal support and implementation of both PSGs. In other words, the aim is to achieve service delivery through financial governance.

At the forefront of sound financial governance is value for money and the stewardship for this principle, although vested with each public servant, rest with Financial Management as the last guardian that must enable an environment that strictly disallows wastage and advocates prudent and efficient spending.

7.3.2 Strategic Objectives

Strategic Objective	To achieve and maintain the highest level of financial governance.
Objective Statement	The identification and implementation of strategic interventions to assist the Department to attain and maintain the highest level of financial governance through the efficient, economical and effective use of Departmental resources to deliver on strategic objectives and the attainment of an unqualified audit opinion.
Baseline	2014/15: Unqualified Audit Opinion.

Public financial management concerns the effective management of the collection and expenditure of funds by governments. As societal needs will inevitably be greater than the resources available to government, all public resources must be used as efficiently and effectively as possible. Efficient public corporate management is central to creating a relationship of mutual trust and shared consensus between government and citizens, and is at the core of the development of this strategy.

The achievement and management of the highest level of financial governance is a long-term inclusive strategy that relies on compliance, a performance culture, stakeholder support and service delivery. It embodies but is not limited to the provision of quality information, the allocative efficiency of resources, financial management competency, sound legislative structures and ultimately the modernisation of the public finance for the benefit of citizens.

As one of the most valued indicators of good financial governance, the achievement of an unqualified audit opinion as an objective for Financial Management compels the effective and efficient management of all processes as effectively and efficiently as possible.

Characteristic of all effective support functions is the convergence of efforts of those that the function supports. In lieu of this, the Financial Management directorate takes cognisance that the achievement of the highest level of financial governance is only possible once the afore-mentioned requirements are met.

In an ever-changing public sector environment where the one constant is the need and consequent drive towards using less and achieving more for the people, the public sector financial management's compulsion for compliance has long since been dusted off as the accepted norm and the congruent drive to service delivery has been cemented. In lieu of this and in moving in symmetry to its service delivery programmes, the directorate has pervasively integrated its processes, structures and systems that will contribute to the achievement of its overarching strategic objective.

One of these governance structures is the establishment of a Departmental Governance Committee supported and institutionalised by the directorate Financial Management. The committee is mandated by a charter which articulates the guiding principles of the King III Report and the sound governance practices endorsed by the PFMA and additional provincial and national legislation.

Furthermore, the Governance Committee is chaired by the Accounting Officer and is comprised of the senior managers, the Department of the Premier's risk management partners. Its mandate includes matters relating to internal audit, forensic services and information technology and this comprehensiveness allows for governance matters to be elevated as strategic matters to also ensure the Department adopts a best fit for the execution of PSG 5, which ultimately better enables the delivery of PSG 1.

As another means to extract value for money, leveraging of funding through increased partnering with industry and other governmental bodies is set for 2016/2017, where foundational discussions have been had and the actualisation of projects are coming to the fore in the new financial year. The subsequent management of these donor fund accounts will be undertaken by the directorate through the fortification of financial systems and processes.

Lastly, but not as the only plan to achieve its strategic objective, the directorate will extend its arm to its implementing agents to assist and further entrench financial governance systems and structures that will not only allow for more efficient and effective delivery of the Department's oversight responsibility to these entities but also improve their structures which would inevitably benefit their investment profile.

Outcomes

The expected outcomes of this strategy are:

- Migration from the rule-driven approach to a more performance-based outcomes approach whilst not forfeiting compliance, i.e. what is to be achieved.
- Greater efficiencies in the unit, cost-effectiveness and economical utilisation of financial resources, reliability of information.
- More cohesion between units (no silos) and greater cohesion with line units – working together for a common purpose.

Strategies to be implemented

The focus areas over the MTEF 2015 – 2020 will include:

- Promotion of excellent client support services.
- Ensuring a financial, legislative and policy framework in which efficient and effective processes may be implemented in the Department.
- Ensuring that the Department is suitably capacitated to meet its financial management and governance standards.

Promoting excellent client support services

The achievement and management of the highest level of financial governance cannot be the sole responsibility of the Financial Management unit. Rather, the strategy is reliant on the cooperation of the delivery programmes. Line units must not only understand the importance and value of good financial governance, but live it. The Financial Management unit must fortify relations with all clients and role-players in the organisation's governance environment to enable them to shift into a higher gear of risk and financial governance practices.

In order to render an excellent client support service, the Financial Management directorate will seek to achieve optimal financial management intelligence and a better understanding of projects and programmes implemented by the delivery programmes to more effectively assist project managers with planning and costing practices, the reduction of red tape that impact on the delivery of projects, indicator development and reporting against financial and performance information.

Becoming the custodian of credible financial data and information

Benjamin Franklin coined the phrase: "Time is money." This statement made nearly 300 years ago still holds true today. In fact, with the fiscal uncertainty facing all governments around the globe the need to ensure greater value for money cannot be emphasised more. In this regard, it is imperative that Financial Management be the custodian of financial information that is useful to make the everyday decisions required to ensure services rendered to the general public are consistent with the value for money imperatives placed on public servants.

In this regard, the Financial Management component will be ramping up its information systems to ensure consistent, reliable and accurate information is provided to decision makers thereby reducing costs to the state. It should be noted that value for money is not an indictment on quality, rather it emphasises that the highest standards of quality control is espoused.

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

Compliance with financial norms and standards is of critical importance to the achievement of overall governance standards required of a public organisation. In this regard the Department has developed a Financial Manual where all prescripts have been integrated and condensed. Annual reviews and efficiency evaluations of the policy document is paramount to ensure that the manual remains a user-friendly reference document that is practically implementable within the Department and provides a sound financial legislative structure.

The premise and therefore intent of the public sector financial management policy environment, although seemingly rigid, is to allow for the practical, effective, efficient, economical, transparent and accountable application of policies into processes that will support service delivery. The directorate's policy base, the Financial Manual, aims to achieve this. Its implementation programme is the roll-out of training interventions throughout the year, always tailored according to the current and pressing issues that the Department experiences and always seeking to capacitate Departmental service delivery field staff.

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

The Financial Management unit will ensure that a structured training and up-skilling programme is implemented to capacitate all staff. Training programmes must train staff in terms of financial management and programmatic skills as well as competencies for this strategy to be successful.

Similarly, Financial Management staff must have a good understanding of all projects and programmes within the Department to enable a better support function. Also, due to the extremely competitive financial management environment where expertise and skills are in short supply, the Financial Management unit must ensure proper cross-training of staff that will enable the preservation of intellectual capacity, competence and credibility of the workforce.

A further step that will be undertaken is to develop staff to understand and embrace their social responsibility to the broader community. The implementation of this strategy will be undertaken through the volunteering of both time and efforts to needy organisations. This strategy will benefit the Department in two ways namely:

- The volunteering of time and efforts can build stronger teams and enhance teamwork
- Staff can see the direct impact of their work undertaken, and lastly
- Staff can see the need why they are doing the work they are doing and for whom the need is greatest.

7.3.3 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion

7.3.4 Performance indicators and annual targets for 2016/17

Strategic Objective (Outcome Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Sub-programme: Financial Management								
1.1	Average number of days for the processing of payments to creditors	Payment to creditors within 15 days	Payment to creditors within 20 days	Payment to creditors within 30 days	Payment to creditors within 30 days	Payment to creditors within 30 days	Payment to creditors within 30 days	Payment to creditors within 30 days
1.2	Unqualified Audit Report: Part Three - Financial Statements	-	-	-	Presenting financial statement with no material misstatements	Presenting financial statement with no material misstatements	Presenting financial statement with no material misstatements	Presenting financial statement with no material misstatements
1.3	Number of internal control reports developed	-	12	10	8	8	8	8
1.4	Cumulative expenditure as a % of the budget	99.60%-	98.51 %-	99.71%-	98%	98%	98%	98%
1.5	Percentage compliance to the implementation framework (Average score per staff member against NT competencies/ Total score per framework)	70%	70%	70%	70%	70%	70%	70%
1.6	Number of financial efficiency interventions implemented	4	5	9	4	4	4	4
1.7	Number of financial manual training sessions conducted	-	20	20	12	12	12	12

7.3.5 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Financial Management							
1.1	Average number of days for the processing of payments to creditors	Quarterly	Payment to creditors within 30 days	Payment to creditors within 30 days	Payment to creditors within 30 days	Payment to creditors within 30 days	Payment to creditors within 30 days
1.2	Unqualified Audit Report: Part Three - Financial Statements	Annually	Presenting financial statement with no material mis-statements		Presenting financial statement with no material mis-statements		
1.3	Number of internal control reports developed	Quarterly	8	2	2	2	2
1.4	Cumulative expenditure as a percentage of the budget (Actual expenditure/ Adjusted budget)	Annually	98%	-	-	-	98%
1.5	Percentage compliance to the implementation framework (Average score per staff member against NT competencies/ Total score per framework)	Annually	70%	-	-	-	70%
1.6	Number of financial efficiency interventions implemented	Annually	4	-	-	-	4
1.7	Number of financial manual training sessions conducted	Annually	12	-	-	-	12

7.3.6 Risk Management

Strategic Objective: To achieve and maintain the highest level of financial governance.	
Risk Statement	Risk Mitigation Strategies
Inability to achieve an unqualified audit opinion due to material misstatements or material non-compliance in high-risk areas such as Transfer Payments, Human Resource Management, and Audit on predetermined objectives and Supply Chain Management as a result of an ineffective or inadequate control environment.	1. An approved Departmental Financial Manual and delegations of authority updated and maintained annually;
	2. Internal Control audits on Transfer payments, Predetermined objectives, financial statements, reconciliations, Supply Chain Management;
	3. Transaction checklists;
	4. Financial Management task team for Transfer Payments and Supply Chain Management transactions;
	5. Financial Management training to line functions to ensure competency;
	6. Training for Financial Management staff to ensure competency;
	7. Standard operating procedures updated annual and as required;
	8. Establishment of a Departmental Governance Committee to ensure sound governance structures;
	9. Programme monitoring and evaluation frameworks; and
	10. Auditor General Action plan to monitor and manage all auditable and high risk areas to ensure an unqualified audit opinion.

7.4 Sub Programme 1.3: Corporate Services

Performance Delivery Environment

The Corporate Services component includes Corporate Services Relations, Departmental Communication and the recently added responsibilities for Departmental Performance Monitoring and Knowledge Management.

7.4.1 Departmental Communication Service

The Communication Unit's main objective is to effectively communicate departmental activities. The Unit essentially offers a support service to the rest of the department as it supports the achievements of the department's strategic outcomes. To this end, the Unit participates on various strategic committees to get direct information and to ensure departmental communication initiatives are aligned to Western Cape Government communication policies.

However, it is important to note that effective communication is not limited solely to communication staff as various departmental officials play a role in the department's communication efforts.

Communication plans for specific programmes and initiatives are developed and signed off by the appropriate authorities. These departmental communication plans are underpinned by fundamental values of openness and participation.

Moreover the objectives of these plans are to:

- Inform the public of departmental policies, services, programmes and initiatives
- To make information about departmental activities widely accessible
- To consult with, educate and empower stakeholders to participate in departmental plans and initiatives
- To make residents aware of their rights
- To report on and showcase the department's progress and to build awareness of "how government works"

The increasing demand on the department to deliver an effective communication service necessitates the Department to access global best practice standards and specialist communication services to enhance service delivery.

The unit will provide uniformity in communicating the departmental initiatives, successes and challenges to internal and external clients and stakeholders.

The department develops campaigns to promote a sustainable, growing, labour-absorbing and competitive economy. The unit will provide an effective and efficient communication and marketing service to the department and its stakeholders through events, publications, access to web-based information and other media.

The communication plan aims to:

- Ensure that communication within the Department is managed in a coherent, coordinated and consistent manner to enable effective government-citizen dialogue,
- Provide uniformity in communicating departmental messages, initiatives, successes and challenges,
- Provide effective internal and external communication services,
- Ensure continued dialogue between the department and its stakeholders.

7.4.1.1 Strategic Objectives

Strategic Objective	To adequately inform and empower stakeholders of the Department by providing access and connectivity to departmental activities through communication activities which are aligned to Western Cape Government Communication strategic imperatives.
Objective Statement	To develop 5 communication plans by 2020.
Baseline	2015/16 communication plan.

7.4.1.2 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Departmental Communication Plan in place to ensure effective communication	-	-	-	-	1	1	1

7.4.1.3 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Sub-programme: Financial Management								
1.1	Departmental events calendar developed	-	-	-	-	1	1	1
1.2	Number of official documents translated	50	53	29	20	20	20	22
1.3	Number of communication initiatives implemented	-	-	-	-	6	7	7

7.4.1.4 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Corporate Services							
1.1	Departmental events calendar developed	Annually	1	0	0	0	1
1.2	Number of official documents translated	Quarterly	20	4	5	6	5
1.3	Number of communication interventions implemented	Quarterly	6	1	1	3	1

7.4.1.5 Risk Management

Strategic Objective: To adequately inform and empower stakeholders of the Department by providing access and connectivity to departmental activities through communication activities which are aligned to the Western Cape Government Communication strategic imperatives.

Risk Statement	Risk Mitigation Strategies
Poor communication due to insufficient human resource capacity to deliver on service demands.	Compiling an events calendar and communication plan to anticipate demands on service. Training and recruitment to fill vacant posts.
The reputation of the Department can be at risk if inappropriate information or incorrect information is released.	Press engagements are funneled through one central, expert point (Media Liaison Officer within Ministry) to ensure consistency and quality control of responses.

7.4.2 Departmental Performance Monitoring

Performance Delivery Environment

The sub-directorate's purpose is to monitor and evaluate Departmental performance and has the following functions:

- Develop and maintain a Departmental framework for monitoring and evaluation aligned to provincial and national M&E frameworks;
- Advise on generating and developing performance and output indicators;
- Collate, process and analyse data for relevant performance and output indicators for transversal and Departmental programmes;
- Ensure efficiency and effectiveness in organisational performance systems and reporting;
- Provide baseline or benchmark information to measure results of programmes in relation to PSG 1;
- Evaluate relevance, efficiency, effectiveness, impact and sustainability of Departmental policies and interventions.

The policy mandate of M&E units in government is derived from the DPME's National Evaluation Policy Framework (NEPF: 2011) and related guidelines. As the custodian of M&E in the Department, the Unit is functionally required to institutionalise a Department-wide "M&E System," defined as:

"... a set of organisational structures, management processes, standards, strategies, plans, indicators, information systems, reporting lines and accountability relationships which enables (the DEDAT) to discharge its M&E functions effectively." (Government Wide- M&E System Framework, 2007)

In 2015/16, the quarterly performance reporting function shifted from National Treasury to DPME, nationally and from the Provincial Treasury to the Department of the Premier. In accordance with this shift, the functional mandate of the Unit in the Department has also expanded to include two new responsibilities; viz. quarterly performance reporting (QPR) and co-ordinating the Managing Performance Assessment Tool (MPAT) scorecard on behalf of the Department.

7.4.2.1 Strategic Objectives

Strategic Objective	Outcomes-based monitoring, evaluation and measurement of the Department's implementation of strategies, programmes and projects to determine the effectiveness and impact of economic development policies and priorities.
Objective Statement	To deliver, coordinate and maintain a responsive outcomes-based 'M&E system' in the Department via maintaining MPAT level 4 (M&E), delivering 10 monitoring reports, 10 evaluation reports, maintaining a 'Departmental M&E System' and delivering technical M&E support to programme and project managers.
Baseline	2014/15: "M&E system" via MPAT: M&E Level 4. 2014/15: 20 Evaluation Reports. 2014/15: 44 Monitoring Reports.

7.4.2.2 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Functional M&E system aligned to national / provincial standards.	n/a	n/a	MPAT: M&E Level 4	MPAT: M&E Level 3	MPAT: M&E Level 3	MPAT: M&E Level 4	MPAT: M&E Level 4

7.4.2.3 Implementation Plan

In 2016/17, the sub-directorate will focus on:

- Functional and maintained 'M&E system' to a Level 3 Maturity Rating (via the MPAT). The MPAT is a national scorecard which assesses and rates the quality of management practices in government Departments.
- New in MPAT 2016/17, will be the measure of the extent to which the Department conducts and then uses the results of its evaluations to inform strategic management and planning. This will require both the Departmental Top Management, via its M&E Unit to conduct evaluations of prioritised interventions to ensure that evaluations are used to inform how we design, plan, budget, review and credibly report on our performance against our tabled term 5 year goals.

Any 'system' is only as good as the strategic architecture which frames it and the composite parts it is comprised of. The following projects and initiatives are designed to purposively augment and contribute to an improved M&E system across the Department; including:

Evaluation Reports

A Departmental Performance Monitoring Unit cannot evaluate everything; priorities and criteria need to be used when selecting the most appropriate and merit-worthy priorities, aligned to the political, economic and institutional contexts impacting on the Department's performance.

For the 2016/17 year, the sub-directorate will focus its one evaluation of a programme which is aligned to one of the PSG 1 game-changers or strategic priorities, drawing on the following selection criteria when choosing the initiative to be evaluated:

- Must be aligned to a PSG 1 strategic priority, game-changer, enabler
- Also be a Departmental priority
- Be a defined programme as opposed to a once off project or initiative
- Can be a new or existing initiative
- Fully or partially budgeted for in the Department
- Linked to a PSP 2014 – 2019 outcome indicator
- Beneficiary level data exists or a plan for data gathering exists

Monitoring Reports

Whereas evaluation is pitched at the Goal and Outcomes level of projects/ programmes, monitoring usually focus on lower down objective types, including outputs, activities and inputs. As part of strengthening the 'monitoring system' in DEDAT, the Department requires a stronger focus and adoption of 'results-based monitoring, i.e. tracking the inputs, activities and outputs against a medium term goal, to deliver early warning signals that project outputs may not yield the planned results.

In the Department, it may not be feasible to evaluate all programmes or projects. Hence, monitoring reports are a mechanism whereby the Unit can internally:

- Track the results or effects of our projects, against the stated outcome or impact;
- Track how well activities and inputs are being used to deliver the outputs;
- Track the results of the project on the beneficiaries;
- Assess, quality assure and ensure integrity and availability of performance data of funded projects for reporting purposes;
- Prepare projects and initiatives to be in a state of readiness to be evaluated; i.e. 'evaluability'.

For 2016/17, the monitoring report may be drawn from the following themes:

- Tracking the progress of PSG 1 Game-Changers, priorities or strategic intents to prepare for prospective evaluations in 2017/18
- Support project/programme monitoring needs of Departmental or ministerial priorities

7.4.2.4 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Sub-directorate: Departmental Performance Monitoring								
1.1	Number of evaluation reports	5	5	2	2	1	2	2
1.2	Number of monitoring reports	11	11	6	4	1	4	4
1.3	MPAT delivered for the Department	-	-	-	-	1 MPAT Improvement Report	1 MPAT Improvement Report	1 MPAT Improvement Report
1.4	Number of Quarterly Performance Reports (QPR) submitted by due date to DOTP	-	-	-	-	4	4	4

7.4.2.5 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-directorate: Departmental Performance Monitoring							
1.1	Number of evaluation reports	Annually	1	-	-	-	1
1.2	Number of monitoring reports	Quarterly	1	-	-	-	1
1.3	MPAT delivered for the Department	Annually	1 MPAT Improvement Report	-	1 MPAT Improvement Report	-	-
1.4	Number of Quarterly Performance Reports (QPR) submitted by due date to DOTP	Quarterly	4	1	1	1	1

7.4.2.6 Risk Management

Strategic Objective: Outcomes-based monitoring, evaluation and measurement of implementation of strategies, programmes and projects are conducted to determine the effectiveness and impact of economic development policies and priorities.

Risk Statement	Risk Mitigation Strategy/ies
<p>Effective Monitoring and Evaluation is hampered due to the inadequate implementation of an 'M&E System in the Department which leads to:</p> <ul style="list-style-type: none"> difficulty in assessing the impact of DEDAT programmes the setting of inappropriate targets difficulty of objectively assessing DEDAT performance 	<ol style="list-style-type: none"> Undertake capacity building on all M&E elements within the Department. Development of a new, updated M&E framework aligned to 5-year Strategic Plan. Review of Departmental outcome indicators. Utilisation of the results of the baseline survey in all sub sectors of the DEDT.

7.4.3 Sub Programme 5.3: Knowledge Management

Performance Delivery Environment

The delivery, knowledge management capability and expectations continue to rise with the plethora of ICT projects requiring implementation in the Department, including Enterprise Portfolio Management, Enterprise Content Management, Business Intelligence System, Enterprise Project Management, Business Process Optimisation, Electronic Content Management and Document Management.

There is enormous pressure on the Department to align its knowledge management resources to the technical and strategic advancements brought about by PSG 1 and ICT initiatives. Along with the ICT and PSG 1 initiatives, programmes are at various levels of change management around their processes and procedures which affects how knowledge is managed. As a result, there is a request for additional resources to strengthen the ability to give expression to knowledge management goals.

7.4.3.1 Strategic Objectives

Strategic Objective	To strengthen institutional governance for improved service delivery.
Objective Statement	To strengthen the institutional governance for improved service delivery through development of a single unified knowledge repository to capture, store and disseminate information for organisational learning.
Baseline	2015/16: Enterprise Content Management System.

Objectives

To strengthen the institutional governance and knowledge management for improved service delivery through the development and maintenance of a knowledge management repository to capture, store and disseminate information.

7.4.3.2 Implementation Plan

A Fully Functioning Resource Center

The Resource Centre will gather, store and disseminate reliable economic data from all available economic data sources and stored on a unified system. The system provides easy access to the structured data for all staff. The action of dissemination of data will primarily be via electronic media.

A Fully Implemented Enterprise Content Management (ECM) System

In relation to its work on the Enterprise Content Management system, the unit will focus on building and strengthening platforms and tools on which the knowledge enveloped and built up in the Department is captured, digitally stored and distributed internally and externally to relevant stakeholders with access control as per legislation.

Given that the ECM will have record management functionality, all records management requirements on the ECM will be effected in accordance with the provincial records management guidelines.

The Knowledge Management Unit will determine the procedure and methodology for information management via the provincial ECM system, which went live within the Department on 17th November 2015, also referred to as the My Content system).

The system is to ensure that information relevant to the execution of the Departmental mandate is stored in a single unified knowledge management system which is easily accessible and timeously made available to Departmental users by using proper design sourcing, storage and dissemination technologies which contributes to the achievement of the Department's strategic mandate. .

Emphasis will be placed on capacitating the Department to enable staff to use the ECM system effectively.

Facilitation of Learning Networks

Knowledge Management will facilitate a number of learning networks. These networks will cover a range of topics focusing on the available knowledge management tools.

7.4.3.3 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Maintenance of the centralised knowledge management system (ECM) to achieve electronic data governance and institutional memory	-	-	-	50% content stored and disseminated	Maintenance of the ECM	Maintenance of the ECM	Maintenance of the ECM

7.4.3.4 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Sub-programme: Knowledge Management								
1.1	Enterprise Content Management System implemented and data stored	-	-	-	ECM System implemented	80% content stored and disseminated of all programmes (N=1000)	85% content stored and disseminated of all programmes (N= 2000)	90% content stored and disseminated of all programmes (N=35005000)
1.2	Number of Learning networks facilitated	4	4	4	4	4	4	4

7.4.3.5 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Financial Management							
Sector Specific Indicators							
1.1	Enterprise Content Management System implemented and data stored	Annually	80% content stored and disseminated of all programmes (N=1000)	-	-	-	80% content stored and disseminated of all programmes (N=2000)
1.2	Number of Learning networks facilitated	Annually	4		1	1	2

7.4.3.6 Risk Management

Strategic Objective: To Strengthen institutional governance for improved service delivery	
Risk Statement	Risk Mitigation Strategies
The lack of credible centralised information management systems and processes (storage and dissemination) leading to intellectual/institutional knowledge not stored or used for the benefit of the Department. This leads to the loss of institutional memory.	The implementation of systems and processes that centralises economic intelligence and easier facilitates the dissemination and management of information and institutional memory.

7.5 Reconciling performance targets with the Budget and MTEF

7.5.1 Expenditure estimates

Sub-programme		Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium term expenditure		
		R'000	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18
1.	Office of the HOD	3 486	2 405	2 221	4 495	5 593	5 593	9 245	7 009	7 440
2.	Financial Management	20 122	23 288	24 714	25 977	26 209	26 209	27 504	31 321	33 102
3.	Corporate Services	1 602	7 556	8 594	9 497	10 102	10 102	13 170	14 216	15 244
Total payments and estimates		25 210	33 249	35 529	39 969	41 904	41 904	49 919	52 546	55 786
ECONOMIC CLASSIFICATION R'000										
Current payments		23 749	30 388	32 713	39 067	39 352	38 196	49 707	52 252	55 398
Compensation of employees		15 834	17 542	18 836	23 482	23 767	23 557	35 773	35 331	37 389
Goods and services		7 915	12 846	13 877	15 585	15 585	14 639	13 934	16 921	18 009
Transfers and subsidies		14	22	41		15	16	1	1	1
Provinces and municipalities										
Departmental agencies and accounts				1				1	1	1
Universities and technikons										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households		14	22	40		15	15			
Transfers and subsidies to Capital										
Government Motor Trading Account										
Payments for capital assets		1 447	2 825	2 755	902	2 537	3 690	211	293	387
Buildings and other fixed structures										
Machinery and equipment		1 430	2 825	2 754	902	2 388	3 529	211	293	387
Heritage assets										
Specialised military assets										
Biological assets										
Land and subsoil assets										
Software and other intangible assets		17		1		149	161			
Payments for financial assets			14	20			2			
Total economic classification		25 210	33 249	35 529	39 969	41 904	41 904	49 919	52 546	55 786

Programme 2: Integrated Economic Development Services



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

8.1 Purpose

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

8.2 Programme structure

The programme is structured as follows:

- **Sub-programme 2.1: Enterprise Development**
To support and promote development of business enterprises.
- **Sub-programme 2.2: Regional and Local Economic Development**
To promote economic growth and development of regional and local economies in partnership with key stakeholders by aligning LED initiatives with Government.
- **Sub-programme 2.3: Economic Empowerment**
To facilitate the process of empowerment and creation of an enabling business environment for PDIs.
- **Sub-programme 2.4: Red Tape**
To reduce the identified regulatory requirements flowing from regulations, legislation and interpretive policies.

8.3 Performance Delivery Environment

The public discourse on economic policy is overwhelmingly focused on fiscal measures (e.g. spend on infrastructure), monetary interventions, welfare programmes and other highly visible instruments of government action. Thus, when an economy performs poorly, a disproportionate amount of our debate centres around whether or not it needs a fiscal stimulus, whether there should be a liquidity easing or tightening or whether its welfare programmes have been too proliferate or too paltry. What gets much less attention but is equally and, in some situations, even more important for the success or failure of an economy are the nuts and bolts that hold the economy together and the plumbing that underlies it.

The laws and processes that determine how easily a business can be started and closed, the efficiency with which government (across all spheres) responds to development and growth initiatives of the private sector, the efficiency of the rules of government administration, etc., are all examples of the nuts and bolts that are rarely visible. Their malfunctioning can thwart the progress of an economy and render the government's economic policy instruments less effective.

To foster a vibrant private sector with firms making investments, creating jobs and improving productivity and hence promoting growth and expanding opportunities, governments around the world have implemented wide-ranging reforms, including price liberalisation and macroeconomic stabilisation programmes. However, governments committed to the economic health of their country and opportunities for its citizens focus on more than macroeconomic conditions. They also pay attention to the quality of laws, regulations and institutional arrangements that shape daily economic activity, as these have a direct effect on the business environment and climate within an economy. Accordingly, improving the business environment or climate has in recent years become an important topic in the international discourse on private sector development.

The key public policy objective is to manage the regulatory environment to keep regulatory costs to a minimum, without reducing the regulatory benefits. It is significant to note that the OECD countries and selected Western economies consider the regulatory environment the single most important element of an economic growth strategy. It remains high on the economic agenda of these economies.

Against this backdrop, the Western Cape Government (WCG) acknowledged that there is an urgent need to enhance and promote a more favourable business climate within the Western Cape. Making it easier to do business is a key driver for the achievement of a business environment that promotes inward investment, enables businesses to be established and expanded, and enhances a culture of entrepreneurship. Ease of doing business (EDB) has therefore been identified as a critical enabler for not only PSG1 programmes and projects, but also for other relevant programmes in the other PSGs.

Defining the Ease of Doing Business (EDB)

An enabling business environment comprises of factors that inhibit or favour the growth and development of businesses and ultimately economic growth and labour absorption.

The enabling environment is now widely recognised as a mechanism through which greater development outcomes can be achieved. A sound enabling environment for private sector led growth is considered critical. Private firms are at the heart of the development process. Their contribution to these processes is largely determined by the investment climate for both domestic and international firms. The investment climate shapes the costs and risks of doing business, as well as barriers to competition, all of which strongly influence the role of the private sector in social and economic development.

Inextricably linked to an enabling business environment is the concept of “the ease of doing business”. The World Bank Group defines EDB as the extent to which the regulatory environment is conducive to the starting and operation of a local firm. The Bank's EDB factors include starting a business, dealing with construction permits, trading across borders, registering property and getting electricity.

For our purposes, we define the Ease of Doing Business as the extent to which the factors of (1) legislation (e.g., acts, regulations and by-laws), (2) processes, procedures and systems, (3) communication, (4) government co-ordination and co-operation, and any other government-controlled factors are conducive to the ability of new and existing businesses to grow and and/or absorb labour.

Provincial Strategic Plan

The Provincial Strategic Plan: 2014-2019 (PSP) sets out the Western Cape Government's vision and strategic priorities together with action plans. The PSP sets out five strategic goals of which Strategic Goal One: Creating Opportunities for Growth and Jobs, resides primarily with the Department of Economic Development and Tourism. This however, does not preclude the Department's engagement and involvement with the other strategic goals (PSGs) such as PSG4: Enabling a Resilient, Sustainable, Quality and Inclusive Living Environment, and the priority projects (the “Game Changers”) such as Skills Development and Energy Security.

1. PSG 1: Create Opportunities for Growth and Jobs

As a key component of the PSP, the primary role of PSG1 is to create an enabling environment for businesses to grow and create jobs. This role is underpinned by two levers within the PSG – firstly, Economic Development, and secondly, Infrastructure and Land Use for Growth. It is envisaged that through these two levers – to be delivered across the economic cluster departments (the Departments of Transport and Public Works; Agriculture; Environmental Affairs and Development Planning; Finance (Provincial Treasury) and this Department), in conjunction with the private sector – will ultimately lead to growth in employment.

PSG1 comprises of eight strategic objectives of which the strategic objective for “Improve the regulatory environment to enhance the ease of doing business” is not only key on its own, but critical for the efficiency and effectiveness of the other seven strategic objectives. For example, the ease of doing business through its regulatory outlook is critical for the objective “Help ensure sufficient water and energy for growth” and “Optimise land use”.

2. PSG1 Strategic Priority: Ease of Doing Business

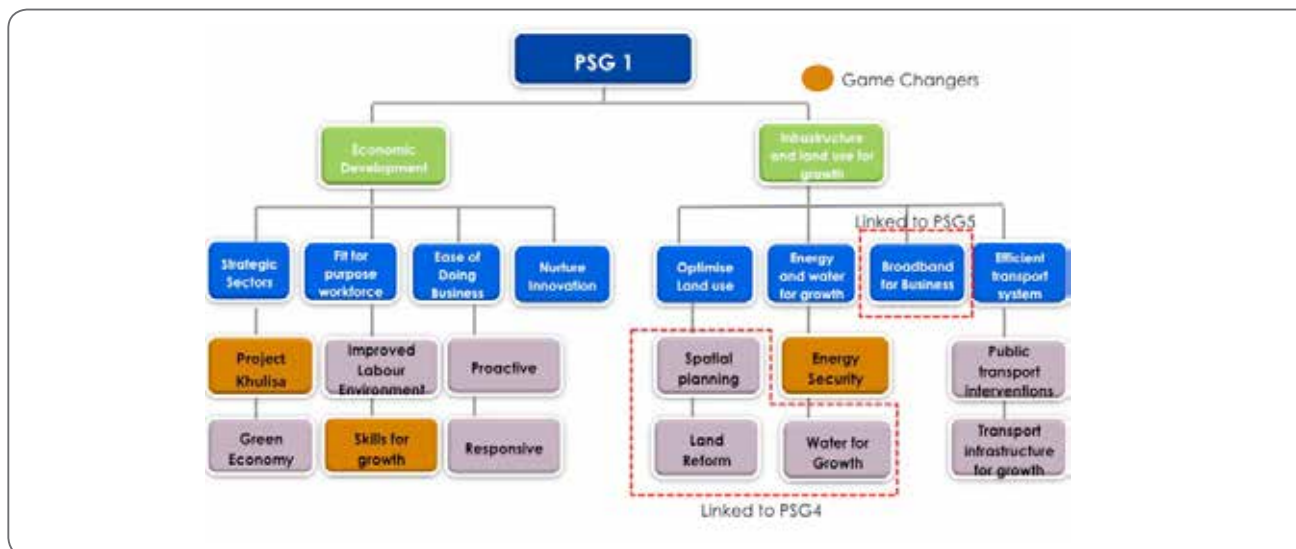
The Ease of Doing Business (EDB) as a Strategic Priority within PSG 1 has evolved to include not only red tape reduction, but also other key elements (e.g. government co-operation and co-ordination) in effecting an environment conducive to business development and growth. This decision was made by the PSG 1 Executive Committee.

Approach: Proactive and Responsive

An additional amendment has been the adoption of two components of the EDB, namely proactive and responsive. The former refers to changes or improvements as a result of proactive action on the part of government, for example the improvement of the system for approving and issuing film permits within two weeks instead of the existing six weeks. The responsive aspect essentially entails the response to individual requests for assistance related to red tape and other blockages, e.g. a business owner requesting assistance in unblocking the process of securing an import permit, or an agri-processing development being delayed because of a disparate approach by different spheres of government.

Figure 1 below represents an exposition of the location of the EDB within the broader context of PSG1.

Figure 1: PSG1 – Game Changers and Strategic Directives



The Responsive component draws its activities from requests/enquiries received through various channels (e.g. the Business Support Helpline and ministerial requests) and entails resolving growth-constraining issues mostly on an ad hoc, individual basis.

The Proactive component will engage on a much more structured basis and will compile its agenda based on the inputs received from:

- the Khulisa sectors (i.e. Tourism, Oil and Gas and Agri-processing);
- other relevant game changers within PSG1 (e.g. Energy Security);
- other relevant strategic directives both within PSG1 (e.g. Land Reform) and other PSGs (e.g. Water for Growth);
- the Provincial Spatial Development Framework that identifies key nodes and corridors as growth hubs (e.g. the Eden tourism/leisure corridor and the George/Mossel Bay functional region), and
- any other sectors where systemic and or ad hoc blockages inhibit development and growth.

The Proactive component will comprise interventions in terms of legislative reform (e.g. amendment or repeal of growth-inhibiting regulations), process or systems improvement (e.g. a better permitting system), or co-ordinated government mechanisms of dealing with development and growth opportunities.

Problem Statement

The creation and enhancement of an enabling environment for business is recognised as fundamental to supporting a competitive economy. The amount of red tape and bureaucracy faced by stakeholders when dealing with government is considered a key constraint to economic development and growth. This in turn interferes with key elements that include the ability of business to compete in a global market place as a result of unnecessary costs and or delays the development of new enterprises and the sustainability and or growth of existing enterprises. This ultimately impacts negatively on the ability of the economy to reduce unemployment and alleviate poverty.

Red tape within government has consistently been identified as one of the core elements which restrict business development and growth. Research into the ease of doing business has shown some interesting facts, which include:

- Developing countries can improve their annual growth rates by creating a more enabling environment; and
- Red tape cost South Africa R79 billion in 2004. This was equivalent to 6.5% of GDP or 16.5% of the total wage bill in 2003.

The problem statements that can be derived from the above are as follows:

1. Uncoordinated and fragmented approaches by government and the private sector to addressing economic development and growth opportunities;
2. Unnecessary and or ill-conceived legislation and policy inhibit development and growth;
3. Inefficient processes and systems and poor client interfaces add unnecessary costs to doing business; and
4. Inadequate platforms to facilitate government-business interaction regarding the business regulatory environment.

This section will deal with the target-setting in relation to the key areas of intervention to be pursued by the Programme. Figure 2 below provides an overall view of the key areas of intervention that should lead to the achievement of the strategic objectives of the Programme.

Figure 2: Key interventions in the EDB programme



1. Improve Government-Business Engagement and Interaction

Given the uncoordinated and fragmented approach by government and the private sector in addressing economic development and growth, the Department fully supports a more decisive approach to integrating planning and delivery of economic development and growth opportunities.

Partnerships are central to the fulfilment of the WCG's mandate. In the context of making it easier to do business, partnerships will be focused on public and private organisations, institutions, and businesses.

By facilitating government and business engagement, we will assist in strengthening understanding and cooperation on a specific growth and jobs agenda, by unpacking how to make it easier for businesses to operate and getting more businesses involved in stimulating economic activity and participating in the market.

The private sector will be encouraged to play an active partnership role in advising government of key interventions needed to achieve the objectives of unblocking red tape hurdles and creating the environment necessary to expand the economy and enabling an increase in job opportunities.

Programme action

In addressing Key Intervention 1, the EDB programme will:

- Facilitate more frequent interaction with business on issues affecting the legislative environment;
- Expand the existing Business Support Helpline to become deeper involved in the Khulisa priority sectors; and
- Facilitate the improvement in and increased frequency of engagement between municipalities and business.

2. Improve business-facing services in terms of processes and legislation

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.

As with agri-processing, land use change and development for tourism many a time involve not only all three spheres of government, but also multiple departments within a sphere of government. For example, the layout and designation of a cycling route that straddles multiple municipalities could involve, besides the affected municipalities, but also the Department of Environmental Affairs and Planning, and the Department of Agriculture. Co-ordinated government is key. However, in most cases, this remains elusive resulting in prolonged applications and unnecessary delays – ultimately leading to extended planning processes which compromise the project before it has even started.

Tourism signage plays a major role in local economic development, as they direct both local and international tourists to destinations such as bed and breakfast establishments, restaurants, wine estates, and business service centres, such as fuel stations. Challenges regarding tourism road signage approvals as a result of, e.g. local or provincial government delays, have been identified as major constraints for the sector across the province. The benefits of the intervention will be improved business environment with potential for increased patronage and revenue for the business in the sector.

The cost, timeframes and administrative burden relating to statutory application processes such as environmental impact assessments (EIA), waste management licenses, water use registrations and licensing and municipal approvals affect not only start-up enterprises, but also those businesses looking to expand their downstream activities. In effect these regulations can seriously challenge business' establishment and growth and ultimately the growth of the sector.

Programme action

In addressing Key Intervention 2, the EDB programme will:

- Conduct an in-depth analysis of all provincial and local government business-facing services with regard to processes, procedures and systems in order to determine a baseline which quantifies those processes and procedures in terms of steps (and costs) and provides an indication of significant "pinch points" that negatively impact on the ease of doing business; and
- Work toward simplifying the application and approval processes relating to planning (land use), licensing and event permitting and tourism signage. Whilst all processes will be reviewed, those within the control of provincial government departments and municipalities will be prioritised, as they hold the greatest potential for successful intervention.

3. Improving the business support eco-system

The business support eco-system refers to the elements – individuals, organisations, financial and professional resources – that entrepreneurs and businesses need to develop and grow. Integral to this eco-system are government policies that encourage and safeguard entrepreneurs. This eco-system plays a crucial role in the creation and maintenance of a supportive environment that is conducive to entrepreneurship and business growth.

Given limited resources at the disposal of the Programme and Department, our strategic business support will be limited to the areas of access to markets (including supply chain linkages); finance and incentives, and entrepreneurship recognition and promotion.

Programme action

In addressing Key Intervention 3, the EDB programme will:

- Conduct supplier development with a focus on the Khulisa sector priorities of Oil and Gas and Agri-processing;
- Facilitate access to new and existing supply chains;
- Facilitate access to finance which will include:
 - Facilitation of access to government financial incentives;
 - Increasing awareness of available funding sources; and
 - Support to enterprises during pre- and post- application stages of finance;
- Develop a strategy and policy that will enable the WCG to use procurement as a means of economic development and growth; and
- Conduct entrepreneurship recognition interventions.

Spatial Alignment Integration

Unbalanced growth in both economic and demographic terms means that some towns and regions suffer from under-investment, compounded by poor transport, infrastructure and services. This fosters inequality, poor health and greater vulnerability to environmental hazards, including climate change and pollution. What is sought is a transformed space-economy in the Western Cape, and significantly improved stakeholder satisfaction with WCG services. To deliver on the NDP and OneCape 2040's common spatial goals of:

- inclusive urban and rural development,
- productive and competitive space economy,
- resilient and sustainable built and natural environments, and
- effective spatial governance systems.

The Department needs to position its delivery on PSG 1 in a manner that supports spatial alignment and integration.

The Provincial Spatial Development Framework (PSDF) provides the spatial development policy framework through which the various PSGs need to deliver with a specific focus on the spatial transitions needed to grow the economy.

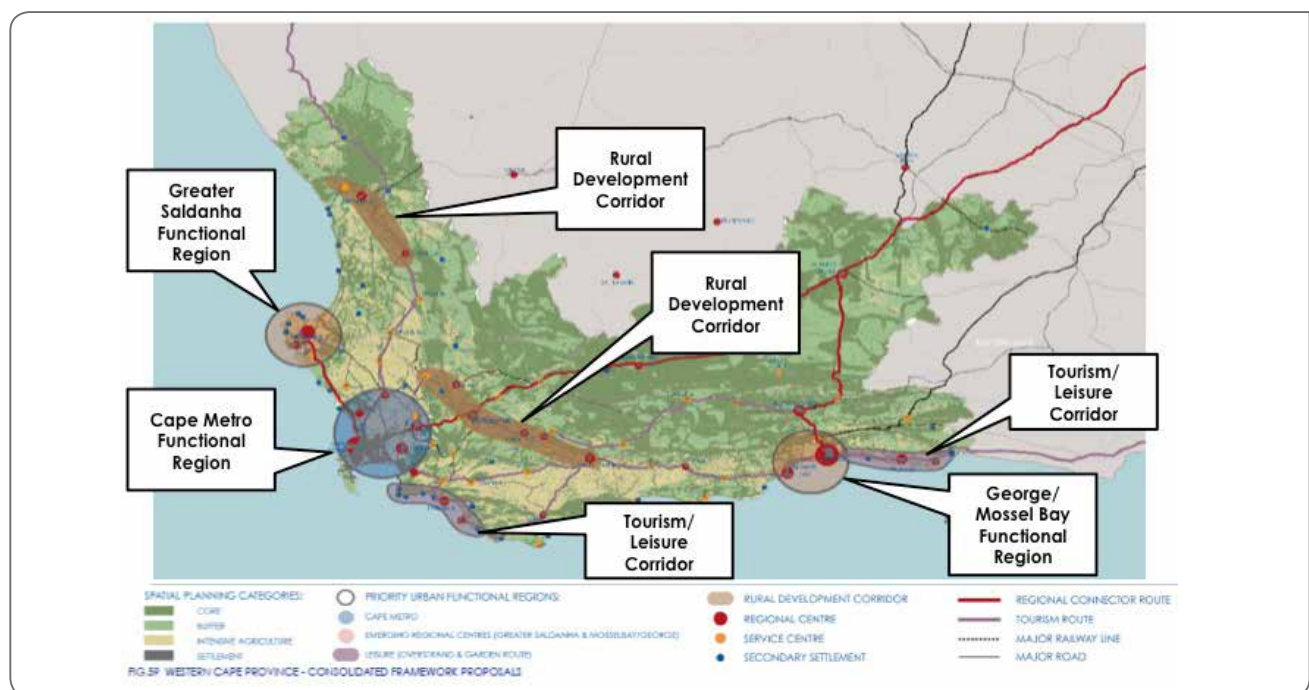
For a transformed space-economy, the following space economy transitions are planned - new regional and bulk infrastructure investment; an increased role by government in land assembly; more mixed land use in both the urban and rural context; more emphasis on regeneration and revitalization of existing and planned economic nodes; CBD, township business centres, nodal interchanges, fishing harbours, etc.; transition to a greener economy; and rural economic development.

The PSDF produced the composite map (Figure 3), below. This is an important spatial planning and land use management tool which graphically portrays the Western Cape Government's spatial agenda. In line with the provincial spatial policies, the map shows what land use activities are suitable in different landscapes and highlights where efforts should be focused to grow the provincial economy.

The PSDF identifies priority urban functional regions, being the Cape Metro functional region, as well as the emerging regional centres of the Greater Saldanha functional region and the George/Mossel Bay functional region. The priority tourism/leisure corridors are the Overstrand and Garden Route leisure corridors, whilst the tourism routes are the N2-corridor, R62 between Worcester and Oudtshoorn, and the N7 and R43 corridors.

Two rural development corridors – areas of agricultural and rural development opportunity – have been identified. The first sits on the West Coast, stretching from Lutzville in the north to Clanwilliam in the South. The second stretches from Tulbagh in the north-west to Swellendam in the south-east.

Figure 3: PSDF composite map



A major obstacle to integrated service delivery is a lack of coordination between the various departments, municipalities, national government and their agencies. If these role-players and non-governmental partners work together in a more integrated fashion, their impact on economic growth and people's quality of life could be significantly enhanced. Fragmentation, wastage and duplication of effort could be minimised.

Through policy alignment, integrated planning, budgeting and implementation we need to seek improved service delivery through improved coordination between spheres of government and within the provincial sphere.

Coordination of efforts should include an alignment of policy-making, planning and budgeting systems and processes.

Specifically, the Programme will:

- Fulfill the provincial mandate around support to Integrated Development Planning to promote good governance and integrated service delivery through partnerships and spatial alignment (PSG 5);
- Focus support on the development of the identified key growth corridors and routes linked to the Khulisa priority sectors; and
- Facilitate the improved relationship between business and local government.

8.4 Sub Programme 2.1: Enterprise Development

8.4.1 Strategic Objectives

Strategic Objective	To increase the sustainability and growth of SMMEs.
Objective Statement	To facilitate support to 500 SMMEs through access to entrepreneurial promotion and business support interventions by 2020.
Baseline	2014/2015 – 339 businesses expanded.

8.4.2 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of business expanded	443	201	339	100	50	20	15

8.4.3 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Sub-programme: Enterprise Development								
1.1	Number of entrepreneurship promotion and/or business support interventions	-	-	-	10	5	5	5

8.4.4 Quarterly targets for 2016/17

Programme performance indicator	Reporting period	Annual target 2016/17	Quarterly targets				
			1st	2nd	3rd	4th	
Sub-programme: Enterprise Development							
1.1	Number of entrepreneurship promotion and/or business support interventions	Quarterly	5	1	-	1	3

8.4.5 Risk Management

Strategic Objective: To improve the business regulatory environment for entrepreneurs and businesses to develop and grow in the Western Cape	
Risk Statement	Risk Mitigation Strategies
Lack of strategic cohesion between government departments which inhibits effective programme implementation to grow and expand businesses within the identified priority sectors.	Develop joint planning and an implementation strategy with stakeholders involving Trade and Sector Development, provincial Department of Agriculture, DAFF, Department of Small Business Development (DSBD) and DTI.
Lack of a comprehensive business development support (financial and non-financial) and awareness programme aimed at SMMEs in the identified priority sectors.	<ul style="list-style-type: none"> Established organisations with the capacity to deliver quality services to the priority sectors to be identified for the implementation of programmes. Develop a comprehensive media awareness campaign through various mediums involving all identified stakeholders. Regular engagements with recipients to establish the benefit of the interventions to ensure continued commitment to the implementation programme. Strengthen relationships with DFIs (e.g. DTI, IDC) in order to increase the uptake of financial products.

8.5 Sub Programme 2.2: Regional and Local Economic Development

8.5.1 Strategic Objectives

Strategic Objective	To improve the business environment in non-metro areas through effective LED co-ordination that supports growth of the regional economy.
Objective Statement	To facilitate the improvement in 50 local government business-facing services in terms of procedures, legislation and or convenience by 2020.
Baseline	Baseline to be established in 2016/2017.

8.5.2 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of business processes and or pieces of legislation recommended for improvement/ amendment (local government)	-	-	-	-	Establish baseline	25	25

8.5.3 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Sub-programme: Regional and Local Economic Development								
1.1	Number of local government specific business processes and/or legislation improvements developed and proposed to the relevant stakeholder(s)	-	-	-	-	20	25	25
1.2	Number of district collaborations supportive of the relevant PSP programmes	-	-	-	-	4	5	6

8.5.4 Quarterly targets for 2016/17

Programme performance indicator	Reporting period	Annual target 2016/17	Quarterly targets				
			1st	2nd	3rd	4th	
Sub-programme: Regional and Local Economic Development							
1.1	Number of local government specific business processes and/or legislation improvements developed and proposed to the relevant stakeholder(s)	Quarterly	20	-	3	3	14
1.2	Number of district collaborations supportive of the relevant PSP programmes	Annual	4	-	-	-	4

8.5.5 Risk Management

Strategic Objective: To improve the business environment in non-metro areas through effective LED co-ordination that supports growth of the regional economy

Risk Statement	Risk Mitigation Strategies
Lack of sufficient human resources within the sub programme. This threatens the success of an array of coordinated intervention and may result in inadequate impact achieved to deliver a suitable enabling economic environment as well as forfeiture of the positive change intended by the Department.	<ul style="list-style-type: none"> • Funding proposal submitted for approval of additional personnel. • Establish innovative working arrangements to access personnel in other programmes for transversal delivery.
Lack of participation by relevant role-players or inadequate participation and commitment by municipal and private sector partners necessary for coordination due to the lack of awareness, a common vision and different approaches and priorities. This undermines the creation and maintenance of an enabling economic environment and ultimately impacts negatively on economic growth and development in localities.	<ul style="list-style-type: none"> • Ensure buy-in and commitment through consultation with relevant role-players and partners, timeously and consistently. • Ensure regular communication with relevant role-players and partners to keep them abreast of developments, maintain awareness and reinforce buy-in and commitment. • Effective utilisation of all relevant existing intergovernmental platforms, to ensure partners are kept informed. • Timeous notification of intended implementation. • Targeted beneficiaries to be requested to confirm participation.

8.6 Sub Programme 2.4: Red Tape

8.6.1 Strategic Objectives

Strategic Objective	To improve the business regulatory environment for entrepreneurs and businesses to develop and grow in the Western Cape.
Objective Statement	To support the departmental goal of increasing GVA and jobs by increasing productivity through realising a saving of R500m (by 2020) in the cost of doing business.
Baseline	No current baseline exists – will be established in 2016/17.

8.6.2 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
1.1	Number of provincial and national government specific business processes improvements and/ or legislative or policy amendments or improvements developed and proposed to the relevant stakeholder(s)	-	-	-	-	5	5	8
1.2	Monetary value of cost savings and/or increased business turnover resulting from reduction of administrative burden				One baseline for the cost of red tape in priority sectors developed	Establish baseline	R100m	R200m
1.3	Percentage resolution rate of cases received	93.62%	90.2%	96.5%	85%	85%	85%	85%
					(750)	(1475)	(1400)	(1400)

8.6.3 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Sub-programme: Red Tape								
1.1	Number of provincial and national government-specific business processes and or pieces of legislation or policies identified for improvement	-	-	-	-	10	15	20
1.2	Number of cases received	752	1 312	1 881	1 400	1 400	1 400	1 500
1.3	Number commentaries submitted in respect of bills, draft regulations and/or policies	-	-	-	-	10	12	15

8.6.4 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Red Tape							
1.1	Number of provincial and national government-specific business processes and or pieces of legislation or policies identified for improvement	Quarterly	10	2	3	4	1
1.2	Number of cases received	Quarterly	1 400	350	350	350	350
1.3	Number commentaries submitted in respect of bills, draft regulations and/or policies	Quarterly	10	2	3	3	2

8.6.5 Risk Management

Strategic Objective: To improve the regulatory environment to enhance the ease of doing business in the Western Cape	
Risk Statement	Risk Mitigation Strategies
<ul style="list-style-type: none"> Inability to recruit suitable staff members. 	<ul style="list-style-type: none"> Start the recruitment process in October 2015 to ensure enough time is available for the suitable candidates to be appointed early in 2016/17 financial year.
<ul style="list-style-type: none"> Lack of buy-in and/or participation by provincial and/or national government departments (and their agencies, public entities and regulators) and/or municipalities due perceptions of unmandated interference and lack of jurisdiction. There is no national legislative framework for ease of doing business and red tape reduction. 	<ul style="list-style-type: none"> Ensure buy-in and commitment through timeous and ongoing consultation with departmental or municipal leadership. Obtain formal commitment to participation by leadership of targeted departments and municipalities, or in relation to the EDB, Cabinet approval. Regularly communicate with departments and municipalities to keep them abreast of developments and reiterate the need to participate. Give timeous notification of intended implementation and possible changes.
<ul style="list-style-type: none"> Delay in appointment of service providers compromises timeous project completion. 	<ul style="list-style-type: none"> Commence procurement process early. Develop sound specifications for service provision. Regularly engage with the SCM division to ensure smooth delivery on the critical path.

8.7 Reconciling performance targets with the Budget and MTEF

8.7.1 Expenditure estimates

Sub-programme		Audited			Main appropriation	Ad-justed appropriation	Revised estimate	Medium term expenditure		
		R'000	2012/13	2013/14				2014/15	2015/16	2015/16
1.	Enterprise Development	26 281	31 828	38 200	32 356	33 409	33 409	18 079	18 652	20 918
2.	Regional & Local Economic Development	13 315	7 988	8 138	10 954	6 234	6 234	6 813	7 173	8 626
3.	Economic Empowerment	5 505	3 697	4 032	3 355	1 438	1 438			
4.	Red Tape	4 357	4 682	6 893	10 065	11 664	11 664	16 046	16 618	17 825
5.	Management: Integrated Economic Development Services	1 848	1 812	2 006	2 523	2 223	2 223			
Total payments		51 306	50 007	59 269	59 253	54 968	54 968	40 938	42 443	47 369
ECONOMIC CLASSIFICATION										
Current payments		27 176	30 182	32 415	56 995	43 262	43 260	35 903	37 353	41 726
Compensation of employees		15 077	17 322	19 153	18 753	17 253	17 134	17 533	18 669	19 713
Goods and services		12 099	12 860	13 262	38 242	26 009	26 126	18 370	18 684	22 013
Transfers and subsidies		23 826	19 495	26 621	1 780	11 235	11 265	4 875	4 870	5 313
Provinces and municipalities										
Departmental agencies and accounts		4 500	5 000	2 000				2 500	2 500	2 500
Universities and technikons			250	2 150						
Public corporations and private enterprises		8 054	5 850	5 577		3 000	3 000			
Non-profit institutions		11 255	7 900	16 276		6 448	6 448			
Households		17	495	618	1 780	1 787	1 817	2 375	2 370	2 813
Payments for capital assets		304	311	220	478	471	443	160	220	330
Buildings and other fixed structures										
Machinery and equipment		304	311	215	478	405	376	160	220	330
Heritage assets										
Specialised military assets										
Biological assets										
Land and subsoil assets										
Software and other intangible assets				5		66	67			
Payments for financial assets			19	13						
Total economic classification		51 306	50 007	59 269	59 253	54 968	54 968	40 938	42 443	47 369

Programme 3: Trade and Sector Development



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

9.1.1 Purpose

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

9.1.2 Programme structure

The Programme is structured as follows:

- **Sub-programme 3.1: Trade and Investment Promotion**
To facilitate trade, export promotion and attract investment.
- **Sub-programme 3.2: Sector Development**
To implement strategies for the positioning of the industrial sector as a key contributor to economic growth and development.

9.2 Sub Programme 3.1: Trade and Investment Promotion

Performance Delivery Environment

Legislative mandate

Wesgro's (a schedule 3 public entity) strategic powers, as provided for in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996) (as amended), include:

- To furnish tourism, trade and investment marketing assistance and expert and specialised advice, information and guidance to any business, company or association of persons who so request it from the Agency or would assist the Agency in achieving its objects.
- To act as the tourism, trade and investment promotion agent on behalf of the Province and to facilitate co-ordinated destination marketing activities for the Western Cape.
- To develop, implement and promote a provincial tourism, trade and marketing strategy and implement any project that realises growth in the economy of the Western Cape.

Strategic mandate

The Western Cape Government's strategic mandate provides that Wesgro:

- Promote trade and investment opportunities for the Western Cape and realise trade and investment projects directly into the region.
- Ensure that priority focus is given to the three productive sectors identified by Project Khulisa which has the most potential to accelerate growth and job creation in the region by 2020.

In response to Project Khulisa, Wesgro will be responsible for direct implementation of the following key initiatives in the 2016/17 financial year:

Oil and Gas

Strategic intent 1: Develop suitable infrastructure by developing the port infrastructure and service industrial facilities to transform Saldanha Bay into a free port and rig repair hub:

- Trade and investment promotion in key markets.

Agri-processing

Strategic intent 2: Double the value of wine and brandy exports to China and Angola by 2025 (as finalised through the Khulisa process):

- Develop and implement a campaign to promote SA wine and brandy in China.
- Develop and implement a campaign to promote SA wine and brandy in Angola.

* Please refer to the detailed 2016/17 Annual Performance Plan tabled by the public entity.

9.2.1 Strategic Objective

Strategic Objective	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its legislative and strategic mandate for trade and investment promotion.
Objective Statement	To provide strategic leadership and the necessary resources which will enable the public entity to recruit and facilitate between R4.3bn and R9.3bn in investment and between 2 970 and 6 240 jobs into the Western Cape by 31 March 2020.
Baseline	2014/15: Rand value of committed investment projects into the Western Cape: R986m. 2014/15: Number of jobs facilitated: 1 442.

9.2.2 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Rand value of committed investments into the Province	R1.659bn	R1.699bn	R986.7m	R800m - R1.6bn	R1bn - R1.7bn	R1.05bn - R1.8bn	R1.1bn - R1.9bn
Number of jobs facilitated from committed investments into the Province	1 473	739	1 442	600 - 1 200	580 - 1 190	600 - 1 250	620 - 1 300
Estimated rand value of business agreements signed (trade)	-	-	-	-	R6m - R8m	R8m - R10m	R10m - R15m

9.2.3 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Sub-programme: Trade and Investment Promotion								
1.1	Number of investment projects realised	6	12	7	15	12	13	14
1.2	Number of business agreements signed (trade)	-	-	-	-	15	20	30

9.2.4 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Trade and Investment Promotion							
1.1	Number of investment projects realised	Quarterly	12	3	4	2	3
1.2	Number of business agreements signed (trade)	Quarterly	15	4	4	3	4

9.2.5 Risk Management

Strategic objective: To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its legislative and strategic mandate for trade and investment promotion.

Risk Statement	Risk Mitigation Strategy/ies
Failure to provide strategic leadership and the necessary resources which may lead to mis-aligned strategy and delivery on the WCG's strategic priorities.	Strategic direction provided by the Executing Authority, the Accounting Officer and the relevant Senior Managers in the Department. The necessary resources agreed upon between the Board, the CEO and the Executive of Wesgro and the Executing Authority, the Accounting Officer and the relevant Senior Managers in the Department.
Failure to effectively ensure and oversee that the allocated funds are utilised as per the transfer payment agreement, which may result in the non-delivery of pre-determined output and outcome targets.	Improved and co-ordinated interaction between the Department and Wesgro to monitor progress via quarterly progress meetings and reports (including management accounts). Monthly updates of the operational plan and the agreed upon evidence framework.

9.3 Sub Programme 3.2: Sector Development

Performance Delivery Environment

Project Khulisa defines a multi-year approach, which focuses on sectors that will maximise stated economic outcomes by 2020. It also phases in additional sectors which maximise employment and growth opportunities across a 15-year horizon.

The sectors with each of the horizons are:

Horizon 1 – Driving impactful sectors

Through extensive data analysis (focusing on gross value add and employment creation) and targeted stakeholder engagements, Project Khulisa identified Tourism, Oil and Gas and Agri-processing as the three productive sectors with the most potential to accelerate growth and job creation in the region by 2020.

Horizon 2 – Expanding scope sectors

The BPO and Film sectors have been identified as an “expanding the scope” sector following horizon 1 for the next 5 to 10 years.

Horizon 3 – Build on the eco-system sectors

The ICT and Manufacturing sectors have been identified for the following 10 years and beyond.

Project Khulisa is a transversal approach with a number of provincial government departments and other entities like Wesgro, Saldanha IDZ, SAOGA and WCFI working together to reach the goal statement. This transversal approach will ensure that the following regional outcomes are met:

- To grow GVA from R1 billion to R3 billion and facilitate 60 000 additional formal jobs within the Western Cape's Oil and Gas sector by March 2020.
- To grow GVA from R12 billion to R26 billion and to facilitate 100 000 additional formal jobs within the Western Cape's Agri-processing sector.

The Department will transition emphasis on the identified three sectors (horizon 1) and de-emphasise its focus on other sectors. While the Department's focus will be on supporting the three priority sectors as defined in Project Khulisa, the Department will maintain intelligence and response capability in other critical sectors in the economy as needed. A de-emphasis does not imply a complete withdrawal from the other sectors. It does mean a different way of working which may include leveraging opportunities from the provincial enablers/game changers/strategic priorities as well as from national government, local government and the private sector. This therefore means that the Department will intensify its focus on Khulisa and still follow a whole economy approach.

9.3.1 Strategic Objective

Oil and Gas

Strategic Objective	To provide strategic leadership and the necessary resources to deliver on the key initiatives needed to grow the Oil and Gas sector.
Objective Statement	To grow GVA from R1bn to R3bn and facilitate 60 000 additional formal jobs within the Western Cape's Oil and Gas sector.
Baseline	Baseline to be established by the end of the 2016/17 financial year.

Problem statement

Despite a clear local advantage, available port land and a relatively sophisticated engineering base, South Africa has a lack of appropriate port and back of port infrastructure, with the right operating environment, to attract the rig repair and oilfield related marine engineering and logistic services as well as a lack of local skills and SME capability to optimally grow employment and value add by locally owned businesses.

Challenges

- Port Infrastructure – industry growth is impeded by insufficient infrastructure suitable for rig repair.
- Bulk Services.
- Local Skills – the lack of suitably qualified and experienced skilled workers is a significant drag on the industry.

Strategic intents

Project Khulisa identified five strategic intents that have focused and prioritised activities and outputs for delivery by 2020. These activities and outputs contribute to the outcomes of increased GVA and direct jobs for the Oil and Gas sector. The five strategic intents are:

1. Develop suitable infrastructure.
2. Co-develop and coordinate skills development across the sector.
3. Enterprise Development.
4. Ease of doing business.
5. Marketing Coordination.

Key initiatives

Strategic intent 1: Develop suitable infrastructure by developing the port infrastructure and service industrial facilities to transform Saldanha Bay into a free port and rig repair hub:

- Back of port land development.
- Port land development.
- Strategic marine infrastructure.
 - Berth 205 – deep water rig repair quay.
 - Jetty for repairs, load-out, ship building.
 - Off-shore supply base.
- Bulk services.
- Bring strategic stakeholders together to drive co-ordinated planning and implementation.

In response to the facilitation of the key initiatives as part of the Western Cape Government's transversal approach, Programme 3 will specifically be responsible for facilitation of the following key initiatives in the 2016/17 financial year:

Strategic intent 1: Develop suitable infrastructure by developing the port infrastructure and service industrial facilities to transform Saldanha Bay into a free port and rig repair hub:

- Stakeholder management – bring strategic stakeholders together to drive co-ordinated planning and implementation via SAOGA.
- Trade and investment promotion in key markets by Wesgro.

Agri-processing

Strategic Objective	To provide strategic leadership and the necessary resources to deliver on the key initiatives needed to grow the Agri-processing sector.
Objective Statement	To grow GVA from R12bn to R26bn and to facilitate 100 000 additional formal jobs within the Western Cape's Agri-processing sector.
Baseline	Baseline to be established by the end of the 2016/17 financial year.

Problem statement

South Africa is a net importer of processed agriculture, forestry and fisheries products. This presents an opportunity for the country to explore possibilities to develop the local processing industry to be more significant both in terms of its economic contribution and job creation. As the Western Cape explores opportunities to grow its Agri-processing sector, it should look at expanding the export contribution of sectors that have a potential in driving the GVA growth and increase employment.

Challenges

- Trade and non-trade barriers to export – lack of trade agreements with the BRIC countries in Africa; certification and other requirements in export markets.
- Scarcity and high cost of energy and water – which is already holding up the growth of the industry and affecting the cost competitiveness of an energy-intensive industry.
- Lack of adequate and competitive infrastructure – including machinery and equipment; logistics; transport and export infrastructure.
- Lack of industry knowledge and skills – scarcity of skilled labour at all levels which increases labour costs.
- Uncompetitive regulatory framework.
- Fragmented industry structure – with a few big firms and a large number of SMMEs facing challenges in terms of access to finance, access to markets, and the ability to comply with regulations.

Strategic intents

Project Khulisa identified three strategic intents that have focused and prioritised activities and outputs for delivery by 2020. These activities and outputs contribute to the outcomes of increased GVA and direct jobs for the Agri-processing sector. The three strategic intents are:

1. Grow the Western Cape's share of the global Halal market from <1% to 2% by 2025 (as finalised by Khulisa).
2. Double the value of wine and brandy exports to China and Angola by 2025.
3. Increase local capacity to process agricultural goods for the domestic and international market.

Key initiatives

The following initiatives are the main outputs for each of the three strategic intents:

Strategic intent 1: Grow the Western Cape's share of the global Halal market from <1% to 2% by 2025:

- Establish appropriate governance structures in the Halal sector.
- Establish a Halal certification standard.
- Establish a Halal processing hub.
- Promote SA Halal products in key markets.
- Ensure SMME and PDI access to the Halal value chain.

Strategic intent 2: Double the value of wine and brandy exports to China and Angola by 2025:

- Develop and implement a campaign to promote SA wine and brandy in China.
- Develop and implement a campaign to promote SA wine and brandy in Angola.
- Domestic promotion of high end brandy.
- Develop appropriate irrigation infrastructure to grow production for future export (e.g. Brandvlei).
- Facilitate transformation in the wine and brandy industries.

Strategic intent 3: Increase local capacity to process agricultural goods for the domestic and international market:

- Develop a database of products which can be produced in the Western Cape.
- Build residue and quality testing facilities.
- Develop an incentive package to encourage investment in Agri-processing.
- Innovate and gain efficiencies in Agri-processing.
- Construct sterilisation and product consolidation facilities.
- Build skills required to grow the Agri-processing sector.
- Enhance access for emerging farmers.

In response to the facilitation of the key initiatives as part of the Western Cape Government's transversal approach, Programme 3 will specifically be responsible for the facilitation of the following key initiatives in the 2016/17 financial year:

Strategic intent 1: Grow the Western Cape's share of the global Halal market from <1% to 2% by 2025, in partnership with Wesgro and the relevant sector body:

- Establish appropriate governance structures in Halal sector.
- Establish a Halal certification standard.
- Establish a Halal processing hub.
- Promote SA Halal products in key markets.

Strategic intent 2: Double the value of wine and brandy exports to China and Angola by 2025 (implementation by Wesgro):

- Develop and implement a campaign to promote SA wine and brandy in China.
- Develop and implement a campaign to promote SA wine and brandy in Angola.

Support to Sector Bodies

Strategic Objective	To provide support to sector bodies that will allow for leveraging of funds to develop and support the respective sectors.
Objective Statement	To enable sector bodies to leverage funding for sectoral development which will lead to further stimulation of the regional economy by 2018 (this will only remain in effect for the 2016/17 and 2017/18 financial years).
Baseline	2014/15: Value of funding leveraged by the sector bodies: R43.437 million.

To provide support to sector bodies that will allow for extensive leveraging of funds by these sector bodies. The support provided for the 2016/17 financial year will be both financial and non-financial support which will enable the sector bodies to develop and support the respective sectors. This will further stimulate economic growth and job creation for the Western Cape economy as a whole.

The financial support provided will directly fund the operating expenses of the respective special purpose vehicles. These operating expenses are personnel costs, office rental space and standard office supplies as and if needed within each of the special purpose vehicles.

The non-financial support provided will include:

- Strategic direction (ensure strategies are aligned to national and provincial goals).
- Facilitation and lobbying (development of linkages and partnerships, access to leveraging opportunities).
- Oversight and corporate governance (M&E).

The following special purpose vehicles will be supported as they relate to the named sectors below that require economic stimulating activities:

1. CITI (Cape IT Initiative) for the information communication and technology sector: Facilitates economic opportunities in the ICT sector, ensuring that the Western Cape is a centre of excellence in the global ICT market.
2. BPeSA WC (Business Process Enabling South Africa) for the business process outsourcing sector: Targets opportunities to address issues of high youth unemployment and the need for inclusive economic growth.
3. WCFFI (Western Cape Fine Food Initiative) for the Agri-processing sector: Provides an engagement platform for the Agri-processing sector in the Western Cape with industry, academia, support agencies and government.
4. SAOGA (South African Oil and Gas Alliance) for the Oil and Gas sector: Creates the enabling environment for the sector to grow the economy and to create jobs.
5. CLOTEX (Western Cape Clothing and Textile Service Centre) for the clothing and textiles sector: Facilitates economic and industrial development in clothing and textile related businesses.

6. CCTC (Cape Clothing and Textile Cluster) for the clothing and textiles sector: Increase sales and employment and position the Western Cape as a sustainable and ethical sourcing destination.
7. CTFC (Cape Town Fashion Council) for the clothing and textiles sector: Facilitates an interconnected and better supported fashion design value chain in order to increase job creation.
8. CCDI (Cape Craft and Design Institute) for the craft sector: Targeted logistical, training, developmental and mentoring support to craft producers, hand-manufacturers and designers in the Western Cape.
9. WCTI (Western Cape Tooling Initiative) for the metals and engineering sector: Co-ordinates a regional partnership of manufacturing associations and development agencies in order to improve the competitiveness of companies and create greater access to markets, resulting in economic growth and job creation in the Western Cape.

9.3.2 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Value of funding leveraged by the sector bodies.	R124.244m	R33.1m	R43.437m	R24m	R25m	R10m	-

9.3.3 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Sub-programme: Sector Development								
1.1	Number of Khulisa initiatives supported	-	-	-	-	2	2	2
1.2	Number of sector bodies supported	-	-	-	9	9	9	-

9.3.4 Quarterly targets for 2016/17

Programme performance indicator	Reporting period	Annual target 2016/17	Quarterly targets				
			1st	2nd	3rd	4th	
Sub-programme: Sector Development							
1.1	Number of Khulisa initiatives supported	Annually	2	-	-	-	2
1.2	Number of sector bodies supported	Annually	9	-	-	-	9

9.3.5 Risk Management

Strategic Objective: To provide strategic leadership and the necessary resources to deliver on the key initiatives needed to grow the Oil and Gas and Agri-processing sectors.	
Risk Statement	Risk Mitigation Strategy/ies
Failure to provide strategic leadership and the necessary resources which may lead to mis-aligned strategy and delivery on the WCG's strategic priorities.	Strategic direction provided by the Executing Authority, the Accounting Officer and the relevant Senior Managers in the Department. The necessary resources agreed upon between the Department and the relevant role-players.
Strategic Objective: To provide support to sector bodies that will allow for leveraging of funds to develop and support the respective sectors.	
Risk Statement	Risk Mitigation Strategy/ies
Failure to effectively ensure and oversee that the allocated funds are utilised as per the transfer payment agreements, which may result in the non-delivery of pre-determined output and outcome targets.	Improved and co-ordinated interaction between the Department and the Special Purpose Vehicles to monitor progress via quarterly progress meetings and reports (including management accounts). Quarterly updates of the operational plan and the agreed upon evidence framework.

9.4 Reconciling performance targets with the Budget and MTEF

9.4.1 Expenditure estimates

Sub-programme		Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimate		
		R'000	2012/13	2013/14				2014/15	2015/16	2015/16
1.	Trade and Investment Promotion	18 500	21 481	19 235	22 400	22 400	22 400	25 000	25 000	25 000
2.	Sector Development	44 803	46 405	51 061	40 208	33 906	33 906	34 586	22 666	17 745
3.	Strategic Initiatives									
4.	Management: Trade and Sector Development	1 123	1 579	952	1 546	1 831	1 831			
Total payments and estimates		64 426	69 465	71 248	64 154	58 137	58 137	59 586	47 666	42 745
ECONOMIC CLASSIFICATION										
Current payments		13 702	13 122	17 003	18 658	12 570	12 561	21 590	16 239	16 955
Compensation of employees		10 209	11 470	11 848	10 754	11 037	11 033	10 883	11 623	12 297
Goods and services		3 493	1 652	5 155	7 904	1 533	1 528	10 707	4 616	4 658
Transfers and subsidies to		50 577	56 225	54 169	45 400	45 471	45 469	37 996	31 345	25 700
Provinces and municipalities										
Departmental agencies and accounts		18 500	21 481	19 235	22 400	22 400	22 400	25 000	25 000	25 000
Universities and technikons				1 000						
Foreign governments and international organisations										
Public corporations and private enterprises			500	10						
Non-profit institutions		32 077	34 244	33 922	23 000	23 000	23 000	12 996	6 345	700
Households				2		71	69			
Payments for capital assets		147	118	73	96	96	100		82	90
Buildings and other fixed structures										
Machinery and equipment		147	118	67	96	96	97		82	90
Software and other intangible assets				6			3			
Payments for financial assets				3			7			
Total economic classification		64 426	69 465	71 248	64 154	58 137	58 137	59 586	47 666	42 745

Programme 4: Business Regulation and Governance



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

10. PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

10.1 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.

10.2 Programme structure

- **Sub Programme 4.1: Consumer Protection**
To develop, implement and promote measures that ensure the rights and interests of all consumers.

10.3 Sub Programme 4.1: Consumer Protection

10.3.1 Performance Delivery Environment

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

In addition, the enabling business environment comprises all relevant economic, political, social, regulatory and international factors external to firms in the Western Cape. In this regard the Project Khulisa exercise that was conducted by the WCG identified numerous opportunities and challenges affecting the region's ability to create jobs and thereby ensure economic growth. It is with the results of the aforementioned exercise in mind that the sub-programme has identified the areas of action and assistance that can be provided to sectors, units and departments. One of the strategic initiatives of the Department is the growth of businesses within the province. The role played by the programme in this regard relates to its consideration of appeals lodged by applications for a business licence in terms of the Businesses Act, 1991. In terms of the aforementioned legislation a business in certain sectors e.g. entertainment and food, must be in possession of a business licence obtained from the local municipality. In the event of an application being unsuccessful, such applicant has a right of appeal to the provincial Minister. The programme plays a role in providing the provincial Minister with a recommendation on any appeal lodged.

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. On a national level however we have the Consumer Protection Act, 2008 (Act 68 of 2008) which was fully implemented on the 1st of April 2011. This legislation further entrenched the provincial OCP's role and mandate within the arena of consumer protection. The national legislation furthermore concretises certain illegal practices and also prescribes the various roles and functions which provincial offices and provincial tribunals will now need to play to ensure the effective implementation of the national legislation. In practical terms this translates into the OCP conducting inquiries or investigations into complaints lodged by consumers against the conduct/product/service of a business. This mandate is performed both in terms of provincial and national legislation.

Currently the operating practice of the OCP is to receive consumer complaints via the following two main avenues:

- Toll Free Call centre: The OCP has a toll free call centre that is operated and managed by an external agency on behalf of the Provincial government of the Western Cape. Consumers within the Western Cape are therefore able to lodge a formal complaint via the call centre. The matter is officially recorded and thereafter investigated by the OCP;
- Walk in centre: The OCP also operates a "client walk in centre" in central Cape Town and consumers are able to visit the centre and lodge a formal complaint in person.

In terms of the delivery environment, the regulatory institutions within DEDAT were often seen as being somewhat of a misplaced entity within the economic development space. This was predominantly since regulation was generally viewed as anti-development and a negative force in an environment seeking to grow the economy. Regulation has however, in recent years come to be seen as an enabling factor, ensuring that all the economic role-players (consumers, enterprises and the various levels of Government) co-operate in a legally secure and predictable environment, structured towards economic growth and transformation. There is a growing realisation on the part of the business sector that economic growth should not be at the expense of equity. Fairness to consumers and the espousal of responsible trading and production practices can serve as competitive advantages that will stand them in good stead in a globalised economy, where competition will increasingly be against foreign rivals as opposed to local ones. Recent and emerging technological changes, trading methods, patterns and agreements have brought, and will continue to bring, new benefits, opportunities and challenges to the market for consumer goods and services within South Africa. As a result it was deemed desirable to promote an economic environment that supports and strengthens a culture of consumer rights and responsibilities, business innovation and enhanced performance.

The recent literature on international consumer protection has indicated that reputation and fear of bad publicity are extremely important as drivers for compliance – supporting the conclusion that attracting and retaining customers is increasingly becoming the top business priority. Reputation therefore emerges as an extremely important factor influencing compliance to both large and small firms. It is noted that a number of agencies now advocate the use of publicity to inform the public, and consequently to encourage improved levels of compliance. In engagements with businesses on the issue of compliance with the provisions of the Consumer Protection Act it has become apparent that many of them (especially SMMEs) have identified that maintaining excellent relations and reputational capital with local communities can promote ongoing business success, whilst loss of reputation (for example, because of a customer service problem) can be damaging to the business. It is therefore evident that the failure to comply with the law and the possibility of therefore being subject to enforcement action is now also increasingly being seen by business to have the potential to damage reputation.

Some regulators and enforcement partners considered that, with reputation a major driver, it was crucial for businesses to avoid any adverse publicity, especially during a time when economic growth is an issue of national importance. This therefore presents an ideal opportunity for a regulatory institution such as the OCP to now exploit this "willingness to comply" environment and ensure that the benefits of consumer protection is extended to not only consumers but also to business.

It is therefore evident that an effective consumer protection environment is one which must provide a mechanism through which consumers can address illicit business behaviour but one which also acknowledges the importance of a growth orientated economy. In this manner the OCP can now effectively find its niche within the Western Cape Government since its redress services for consumers will go a long way in contributing towards the national outcome of ensuring that an "efficient and effective development orientated public service and an empowered, fair and inclusive citizenship" is developed.

However, by the same token the OCP's engagement with business to ensure that the benefits of voluntary compliance as far as growth, competitiveness and enhancement of sectors or businesses is concerned will ensure that a contribution towards the achievement of PSG 1 and specifically the focus area of "creating an enabling environment" will be achieved.

10.3.2 Strategic Objectives

Strategic Objective	To provide an effective and efficient consumer protection service within the province which is aligned to the objectives and functions as prescribed by provincial and national consumer protection legislation. An effective trading environment which supports the effective finalisation of business licence appeals.
Objective Statement	To ensure that the WCG Provincial Strategic objective of making the Western Cape a destination of choice in which to do business is achieved through the provision of an effective complaints resolution service, ensuring that a minimum of 20 000 complaints are dealt with by March 2020, resulting in a financial saving of at least R15 million. To ensure that 4 business licence appeals are finalised so that business growth occurs where justified.
Baseline	2013/14: 1 business licence appeal finalised. 2014/15: 8 872 complaints resolved from 8 991 complaints received. 2014/15: R6.8 million in cost savings to consumers.

10.3.3 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of strategic consumer NGO and other relevant partnerships established	22	28	31	35	30	30	30
Monetary value saving to consumers	R5m	R4.1m	R6.8m	R2.5m	R1.5m	R2m	R2m
Number of new businesses operating by virtue of positive departmental appeal recommendations issued.	-	1	0	1	1	1	1

10.3.4 Implementation Plan

Consumer Redress

The projects and operations linked to the services of the OCP are primarily geared towards a citizen centric service since it provides dispute resolution services between consumers and suppliers. The aforementioned services can only be effectively provided if the correct and optimal human resources, ICT services and customer focused interventions are in place. It is our contention that the various initiatives i.e. toll free call centre, ADR services, adjudication services via consumer tribunal, are all focused on ensuring that the objectives as set in PSG 1 and 5 are achieved. By providing effective services to citizens that ultimately results in them obtaining a benefit, e.g. refunds, repairs of defective products etc., the unit plays its part in ensuring that citizens of the Western Cape have a first-hand experience of the WCG's commitment towards quality service provision.

Strengthened self-regulation mechanisms and increased awareness of consumer rights among businesses will also create favourable conditions for the promotion and development of mechanisms of amicable resolution of consumer disputes. The experience of the past years has proven that out-of-court alternative dispute resolution

mechanisms are an effective and cheap method of obtaining consumer redress, particularly in smaller cases, when courts of law fail to deliver the desired outcomes due to lengthy proceedings, high costs, formalised procedures and psychological barriers related to getting involved in a court action.

The development of the systems of amicable dispute resolution is, however, not possible without the cooperation and willingness to collaborate from business. Consequently, the development of amicable dispute resolution systems must be included in the concept of developing Corporate Social Responsibility. It is impossible to ensure a high level of consumer protection without building appropriate standards common for all the bodies involved in out-of-court dispute resolution. Consumers must indeed have guarantees that, regardless of their choice of the method of dispute resolution, they will be provided with a minimum of standards. The objective of this process is to harmonise the principles in force in this area in order to make it easier for consumers to access alternative methods of settling their disputes with businesses, as well as to set forth seven basic principles of out-of-court resolution of consumer disputes: the principle of independence, transparency, respect of the rules of the opponent, effectiveness, legality, freedom and the right to representation.

Greater co-operation between the provincial consumer affairs offices and the National Consumer Commission has resulted in the production of consolidated reports on the status of consumer protection (with an emphasis on complaints resolution and compliance and enforcement) in South Africa. From these reports it is evident that the Western Cape OCP is one of the busiest, if not the busiest, consumer protection offices in the country. This is largely due to the utilisation of both a call centre and an electronic complaints management system for the lodgement and management of consumer complaints, systems not used in any of the other provinces. In addition, the cooperation has seen a significant increase in the number of joint national consumer awareness campaigns conducted.

New priority focus areas

Support of SMMEs

In previous financial years the primary role of the OCP as far as business (including SMMEs) was concerned related to the investigation of consumer complaints lodged against such businesses. It has however become necessary for the OCP to realign itself especially in light of the Department's strategic priorities especially with regards to the role which SMMEs can play within the arena of job creation.

As a result a new focus for the OCP will be the role of supporting and capacitating SMMEs with regard to the legislative imperatives as created by the Consumer Protection Act. During the past financial years it has become evident that a vast majority of consumer complaints received by the OCP relate to the products/services provided/offered by SMMEs. The resolution of such disputes have proven to be challenging especially since many of the SMMEs are not aware of the obligations placed on them by the Consumer Protection Act and as a result rely on outdated policies and procedures as far as customer rights are concerned.

As a result there is often reluctance amongst SMMEs to engage and address issues of dispute. It is internationally accepted that substantial reputational damage can be caused to a business due to perceptions amongst consumers that their consumer rights are not protected. This reputational damage translates into loss of consumer confidence in a business or brand which further translates into loss of turnover and subsequent profit. The knock on effect of this reputational damage is vast since it will impede a business's ability to grow and ultimately create jobs and thus limit the economic growth of a region. The role and importance of basic principles such as customer care, customer rights/obligations, new law and policy on consumer protection is therefore crucial in order for a business to maintain consumer confidence and thus flourish.

As such the OCP will over the MTEF 2015 to 2020, be actively engaging with SMMEs, sector bodies, government departments, municipalities, industry bodies and business groupings to provide support on this issue. For example, the OCP will now be actively assisting SMMEs in identifying and addressing policy/administrative shortcomings within their business as far as consumer protection is concerned. The idea is to ensure that such businesses become aware of their obligations in terms of the law and actively amend policies/procedures that are contrary to legislation. This will ensure that they not only become legally compliant but can in fact enhance consumer confidence in the products or services they offer.

By introducing this new approach the OCP can also make a direct contribution towards one of the strategic priorities of the Department as far as supporting business is concerned. The additional impact is that consumer confidence in SMMEs can drive the growth of such businesses and possibly lead to job creation and the improvement of the Western Cape economy.

Consumer Education Services

The education and information activities carried out in the previous years have shown that the OCP's activity in this area brings positive results and is received with great interest by consumers and entrepreneurs. Consumer education is a long-term and continuous process, especially in a country whose market is growing intensively, adapting itself to the functioning of the free market system. At the same time there is a need to expand the information and education activity, covering new thematic areas and using new communication methods. With relation to the changing market situation and an increasingly widespread application of new communication techniques by businesses, it seems necessary to strengthen the activities of the OCP aimed at educating consumers as with regard to the traps and risks they face. The impact of new technology in the transactional process between consumer and business also dictates that new strategies must be developed and implemented in order to keep trend with this new form of consumerism.

In the years to come the OCP intends to continue basing consumer protection policy on regularly obtained, reliable information about South African and specifically Western Cape consumers. Supporting consumer policy with the data about the type and scale of problems faced by consumers on the market, the barriers preventing consumers from fully adapting to the modern market and about the current level of knowledge and awareness of consumers will enable the Office to implement systemic solutions aimed at eliminating or limiting market changes which are unfavourable to consumers.

The most important objective of the OCP's research activities is to obtain background for designing its educational and information programmes. Moreover, the OCP will use the results of social research that will be undertaken in its direct communication with consumers and entrepreneurs, in the framework of information campaigns, PR activities and working meetings, which aim to strengthen the social dialogue. The data acquired through this research will constantly be used by the OCP in its communication with other government agencies, Regulatory bodies, as well as NGOs, academic circles and the media.

The OCP will be embarking on regular research initiatives to amongst others address the following:

- Level of consumer awareness, the ways of making purchase decisions and the barriers that make it impossible for consumers to participate in the market in a safe and satisfying way;
- Patterns of household finance management and the use of credits and loans.
- Methods and techniques used to solve household financial problems (loans vs. searching for other sources of financing);
- The consumer on the market of goods and services sold on the Internet;
- Western Cape entrepreneurs' knowledge of consumer protection law and the State agencies providing redress services to consumers.

The OCP's consumer education activities

Over the MTEF 2015 to 2020, the OCP will continue to carry out an active educational and information activity, focusing mainly on the education of various groups of consumers. The education programme will include the basic issues, the knowledge of which facilitates the functioning on the market, acquiring everyday consumer competencies' knowledge of redress options. It should also provide an answer to the newest challenges occurring on the market. At the same time, it is important for the new education and information activities of the Office to provide Western Cape consumers with assistance in their functioning on the South African market.

The OCP's campaigns will also be executed in cooperation with the National Consumer Commission (NCC), various regulatory authorities and Ombudsman Schemes that are either statutory or that will be established in terms of the Consumer Protection Act, 2008.

In the forthcoming period the OCP plans to execute education campaigns relating to the following consumer issues:

- Benefits and risks related to the use of the latest technologies to transact with business (concluding distance contracts, via the Internet, the phone, mail orders, etc.);
- Sub-standard goods and the risks posed by them. The objective of this campaign will be to draw consumers' and entrepreneurs' attention to the factors that determine the safety and quality of products;
- Counterfeit goods. What are they and what is the impact on the economy?
- Advertising. Campaigns concerning this issue will inform consumers about the various types of misleading, false and inaccurate advertising that is designed to entrap consumers into problematic agreements;
- Consumer rights and obligations. The need to inform consumers about their rights and obligations in terms of the Consumer Protection Act and the various authorities available to assist with redress remains valid.

The educational and information campaigns will be addressed to various consumer groups: the youth, adults, elderly people and the business sector.

Over the medium term, the OCP will also develop a more focused and sustained campaign specifically aimed at SMMEs. This is especially since a need has been identified to support SMMEs on the issue of consumer rights and obligations in terms of the relevant legislation.

The Office will continue its cooperation with consumer organisations, Regulatory bodies, Ombudsmen and the mass media, through which it will try to reach the society. In this respect, the expert support of academic circles will be also very important.

Continued Priority Focus: Financial Literacy Education

In the aftermath of the financial crises, financial literacy has been increasingly recognized as an important individual life skill in the majority of economies. The underlying reasons for this growing policy attention encompass the transfer of a broad range of financial risk to consumers, the greater complexity and rapid evolution of financial landscape, the rising number of active consumers in the financial sphere and the limited ability of regulation alone to efficiently protect consumers. In addition to the reasons advanced above, consequences of the financial crises have demonstrated the potential implied costs and negative spill-over effects of low levels of financial literacy for society at large, financial market and households.

It is widely acknowledged that financial education has become an important compliment to market conduct and prudential regulation, and improving an individual's financial behaviour(s) has become a long term policy priority in many countries. The National Treasury has thus identified financial literacy education as one of the components for a comprehensive solution for protecting consumers of financial services. South African consumers of financial services generally have limited resources and skills to understand the complexities of the financial sector. Compelling consumer issues, such as inability to evaluate the appropriateness of financial products in relation to personal circumstances; predatory lending; high levels of consumer debt; low savings rates; proliferation of pyramid schemes and financial scams; high product services; penalty fees; lack of accessible and comparable pricing information; and limited knowledge of recourse mechanisms have added to the urgency for financial literacy education.

The involvement of National Treasury through the formation of a National Financial Education Committee of which the Western Cape OCP is a represented member indicates the seriousness of the financial education programme. Other Provinces such as the KZN have similarly taken the initiative to prioritise financial education. A financial healthy society is key to development. The innovation and subsequent manufacturing of products and services will be futile if consumers are unable to access finance due to negative listing/unfavourable credit reports in the credit bureau. By failing to access finance from financial institutions, this reduces the number of potential customers who would have sustained the manufacturing and services sector. This will subsequently affect the attainment of some of the underpinnings of PSG 1.

Currently there are more than 600 000 consumers who have applied for debt counselling since the National Credit Act came into effect in June 2007. It must be noted that consumers who seek debt counselling are removed out of the credit market as prescribed by the law. This reduces their level of participation in the economy as they cannot access credit. It can be argued that those who are removed from accessing further credit could have been potential customers of businesses in the Western Cape. This indirectly reduces demand for products that these consumers who are under debt review would have bought.

It is perhaps imperative for government to provide financial education to consumers as this will reduce the number of consumers who are in financial dire straits. The reduction in the number of indebted consumers will potentially address the demand and supply side of the market which could subsequently help in the stimulation of the economy.

The proposed financial educational programmes will therefore help to acquaint consumers in general about various financial products in the market and the implications of their choices. This will invariably assist consumers to stay in the market and continue to consume products and services manufactured and created by the economy, thus not only helping to sustain jobs and economic growth but also to contribute to the fiscus.

10.3.5 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Sub-programme: Consumer Protection								
1.1	Number of consumer education programmes conducted	275	243	274	200	120	100	100
1.2	Number of complaints received	15 597	10 554	8 991	7 000	4 000	3 500	3 500
1.3	Number of complaints resolved *	19 039	10 063	8 872	5 000	3 500	3 000	3 000
1.4	Number of consumer education booklets and/ or information material distributed to citizens and business	10	12	4	5 000	1 000	1 000	1 000
1.5	Number of financial literacy workshops conducted	84	89	118	50	20	20	20
1.6	Number of SMME engagements conducted		-	-	20	10	15	15
1.7	Number of business licence appeal recommendations provided	-	1	0	1	1	1	1

10.3.6 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Consumer Protection							
1.1	Number of consumer education programmes conducted	Quarterly	120	10	50	50	10
1.2	Number of complaints received	Quarterly	4 000	1 000	1 000	1 000	1 000
1.3	Number of complaints resolved	Quarterly	3 500	1 000	1 000	1 000	500
1.4	Number of consumer education booklets and/ or information material distributed to citizens and business	Quarterly	1 000	100	500	300	100
1.5	Number of financial literacy workshops conducted	Quarterly	20	5	5	5	5
1.6	Number of SMME engagements conducted	Quarterly	10	2	4	4	2
1.7	Number of business licence appeal recommendations provided	Annually	1	-	-	-	1

* A note regarding the national indicator for cases resolved

The indicator which speaks to the number of cases received and resolved by the OCP is part of the so-called nationally agreed sector specific indicators. These indicators were adopted on a national level so as to enable a national picture on consumer protection to be developed. The specifics around this indicator were therefore agreed to by all provincial departments as well as the National Consumer Commission (NCC). In terms of the specifics it was agreed that since all cases that were received would require some intervention, inquiry or action it was justifiable that all received cases – irrespective of the extent of the inquiry/assistance – would be recorded as a resolved case. As such, matters that for example would be referred to another body/institution, or be closed due to insufficient evidence, or due to jurisdictional issues, would be included in the resolved cases category. The number of received and resolved cases must therefore be seen in this context.

10.3.7 Risk Management

Strategic Objective: To provide an effective and efficient consumer protection service within the province which is aligned to the objectives and functions as prescribed by provincial and national consumer protection legislation.	
Risk Statement	Risk Mitigation Strategy
<p>Consumer education programmes:</p> <p>The inability to implement effective and sustained consumer education programmes across the province due to insufficient resources (human, infrastructural and financial) which results in a decrease in the consumer rights awareness levels and the failure to achieve service standards.</p>	<p>Enhancement of strategic links with various stakeholders and partners within the consumer protection environment.</p> <p>Cooperation with the media will be continued so as to ensure that the exposure of the various events, projects and programmes of the OCP will be communicated to readers, listeners and watchers of the various media sources.</p>
<p>Consumer complaints:</p> <p>The failure to resolve received cases due to the ineffective operationalization of the National Consumer Commission and the inconsistent interpretation of provisions within national and provincial Consumer Protection legislation which impacts on a consumer's right to obtain effective redress on a complaint and which hampers service delivery by a provincial office.</p>	<p>Establishment of a Standing Advisory Committee to the Consumer Protection Act by the National Commissioner.</p> <p>Quarterly case management engagements between provinces.</p> <p>Regular reporting to the National Consumer Commission on performance related matters.</p> <p>Position paper to be developed by the Department on legislative amendments related to inconsistent provisions and implementations of the Consumer Protection Act.</p> <p>Position paper to be escalated to the National Minister (DTI).</p>
<p>Policy and Legislation</p> <p>Lack of control which the Department has over the legislative environment due to the constitutional mandate (concurrent jurisdiction) which results in the implementation of policies and legislation that are unsuitable to the Department and which impacts on service delivery standards and brand reputation.</p>	<p>Establishment of a Consumer Protection Forum comprised of all 9 Provinces and Regulatory Authorities.</p> <p>Programme units tasked with evaluating proposed policy legislation and providing comments to the MEC.</p> <p>Issues and concerns escalated to the President and Premier Coordinating Forum.</p> <p>Departmental Red Tape Reduction Unit established.</p> <p>The Red Tape Unit will be engaged so as to lobby for any proposed legislative and/or policy amendments.</p>
<p>Business Licence Appeals</p> <p>The inability to contribute towards the growth of the number of businesses created in the province due to the failure to receive business licence appeals from applicants.</p>	<p>Engagement with municipalities on issue to create awareness about appeal right;</p> <p>Engagement with business sectors to create awareness about appeal right.</p>

10.4 Reconciling performance targets with the Budget and MTEF

10.4.1 Expenditure estimates

Sub-programme	Audited			Main appro- p-riation	Adjusted appro- p-riation	Revised estimate	Medium term expenditure			
	R'000	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
1. Consumer Protection		9 795	10 384	10 021	10 582	11 228	11 228	11 311	12 226	13 169
Total payments and estimates		9 795	10 384	10 021	10 582	11 228	11 228	11 311	12 226	13 169
ECONOMIC CLASSIFICATION										
Current payments		9 681	10 294	9 966	10 522	11 118	11 118	11 221	12 131	13 049
Compensation of employees		7 043	7 413	7 590	7 532	8 178	8 130	8 511	9 076	9 589
Goods and services		2 638	2 881	2 376	2 990	2 940	2 988	2 710	3 055	3 460
Interest and rent on land										
Transfers and subsidies			3							
Provinces and municipalities										
Departmental agencies and accounts										
Universities and technikons										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households			3							
Transfers and subsidies										
Payments for capital assets		114	87	40	60	110	110	90	95	120
Buildings and other fixed structures										
Machinery and equipment		114	87	40	60	60	60	90	95	120
Heritage assets										
Specialised military assets										
Biological assets										
Land and subsoil assets										
Software and other intangible assets						50	50			
Payments for financial assets				15						
Total economic classification		9 795	10 384	10 021	10 582	11 228	11 228	11 311	12 226	13 169

Programme 5: Economic Planning



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

PROGRAMME 5: ECONOMIC PLANNING

11. PROGRAMME 5: ECONOMIC PLANNING

11.1 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.

11.2 Programme structure:

The programme is structured as follows:

Sub-programme 5.1: Economic Policy and Planning

To develop provincial economic policies and strategies.

Sub-programme: 5.2 Research and Development

To conduct economic research.

Sub-programme 5.3: Knowledge Management

To contribute to the creation of a knowledge economy.

Sub-programme 5.4: Monitoring and Evaluation

To determine the effectiveness and impact of provincial policy objectives and strategies.

Sub-programme 5.5: Management

To conduct the overall management and administrative support to the Programme.

Sub Programme 5.6: Enabling Growth Infrastructure and Initiatives

To develop and/or stimulate an enabling economic environment through catalytic interventions.

Sub Programme 5.7: Broadband for the Economy

To support and stimulate the usage, readiness and accessibility of broadband in the region.

Sub-programme 5.8: Green Economy

To stimulate the development of green industries and facilitate resource-efficiency and sustainability to improve the competitiveness of the economy.

Context

The global economy is characterised by rapid change and innovation, technological advances, rapid improvements to production and service systems, and severe challenges to the resource-intensive sustainability and climate change threats. As such, four dominant international trends have been emerged as critical in impacting on growth, namely economic infrastructure, broadband, resource sustainability and climate stimulating change, and design and innovation. For the Western Cape economy to compete, it requires a responsive economic environment which facilitates opportunities, shapes direction and overcomes challenges.

The aim of this Programme is therefore to overcome critical inhibitors to economic growth, capitalize on economic opportunities which arise due to market forces or technological advances and to stimulate investment into the province. In addition to providing a coordinating platform and evidence-based support for strategic planning, the Programme therefore comprises of a suite of economic growth enablers/drivers that support the growth of the Western Cape economy. This suite of strategic growth enablers and drivers are clustered under additional sub-programmes within Programme 5, namely (1) Enabling Growth Infrastructure and Initiatives, (2) the Digital Economy and (4) the Green Economy.

The themes underpinning these sub-programmes have emerged as key components of South Africa's National

policies, the Provincial Strategic Goal 1 and 5, OneCape 2040, the Western Cape Government Provincial Strategic Plan 2014 – 2019, and find specific expression in the Provincial Strategic Goal One's Game Changers and Strategic Priorities.

OneCape 2040

Within the Western Cape Government's OneCape 2040 vision of "a highly skilled, innovation-driven, resource-efficient, connected, high opportunity and collaborative society", the Programme is responsible for driving the "innovative, resource-efficient and connected" aspects of the vision.

Provincial Strategic Plan 2014 - 2019

The Western Cape Government has synthesized its 12 Strategic Objectives into five Provincial Strategic Goals (PSGs). Of these five Strategic Goals, the following are relevant to the Programme:

Strategic Goal 1: Create opportunities for growth and jobs

Strategic Goal 1 lists a number of major objectives. These include (i) Nurture Innovation through the economy, (ii) Improve Broadband rollout for the economy, and (iii) Help ensure sufficient water and energy for growth. All the projects within the Programme are aimed, in varying degrees of relevance and emphasis, at addressing these objectives.

Strategic Goal 4: Enable a resilient, sustainable, quality and inclusive living environment

This Strategic Goal encapsulates both the green/climate change principles as well as that of a supportive infrastructure which facilitates economic growth and social inclusion. The Game Changers which are assigned to this Strategic Goal are the Live-Work-Play project of Conradie Hospital site in which inputs and support are required by the Programme as well as the Better Living Challenge which was conceived within the Green Economy initiative and is currently managed within the Sub-Programme 5:4 – Enabling Growth Infrastructure and Initiatives.

Strategic Goal 5: Embed good governance and integrated service delivery through partnerships and spatial alignment

As a transversal cross-cutter, Connected Cape, which is the Broadband Strategy conceptualised by DEDAT, has been listed as PSG 5 Game Changers for the Province. In order to achieve the WC Broadband vision and targets, the Programme of DEDAT is responsible within the wider Broadband Implementation Plan for improving broadband access, skills and usage to citizens and businesses for economic and social development.

Provincial Strategic Goal 1 Key Priority: Project Khulisa

As a key priority of the Provincial Strategic Goal 1, Project Khulisa focuses on maximising job creation and growth within a 5 year timeframe to address the pervasive unemployment challenge of the region. Having undertaken an extensive analysis of historical trends and consultations with targeted stakeholders, Agri-processing, Tourism and the Oil and Gas industries emerged from Project Khulisa as the sectors with the maximum job-creation potential. Some of the constraints identified within these sectors include challenges with the enabling business environment, including infrastructure and energy hurdles. In alignment with and support of Project Khulisa, the Programme will drive a number of infrastructure-related initiatives and energy interventions highlighted in the sector road-maps.

Provincial Strategic Goal 1 Game Changer: Energy Security

The recent electricity crisis has served to underline the critical importance of having an energy-secure province which includes the need to diversify the regional energy mix and reduce energy intensity within the Western Cape. The Department's response and support of the objectives and projects of the Energy Game Changer is located within Programme 5.

Provincial Strategic Goal 1 Game Changer: Skills Development

There is a recognition that the greatest resource in the province is its workforce. The tools that arise from the work of the Programme will be leveraged where possible to support the realisation of the Skills Game Changers.

11.3 Sub Programme 5.1: Policy and Planning

11.3.1 Performance Delivery Environment

The government's policy and planning environment was characterised and informed by the adoption of

National Cabinet's endorsement of the National Development Plan (NDP). The NDP is supported by the provincial government and is given effect by the provincially adopted OneCape 2040. OneCape 2040 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.

In expressing OneCape 2040, provincial strategic thrusts are unpacked through five Provincial 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: Enable a resilient, sustainable, quality and inclusive living environment
- Strategic Goal 5: Embed good governance and integrated service delivery through partnerships and spatial alignment

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

In maximising economic and socio-economic outcomes as described in the PSP and PSG, suitable provincially adopted policies are required, which will be drafted by this sub-programme in collaboration with the Department of the Premier's policy unit.

11.3.2 Strategic Objective

Strategic Objective	To provide economic strategy and policy leadership in the Province.
Objective Statement	The objective is to facilitate and lead the collaborative process of economic policy and strategy development through the development of 12 policy briefs by March 2020.
Baseline	2014/15: 0 policy briefs 2014/15: 5 revised or reviewed economic strategic plans

Objectives

To give effect to the integrated evidence based economic policy and strategy development, the Policy and Planning Unit supports Province-wide cross-cutting economic development and facilitates the strategic planning processes for the DEDAT.

In other words, it facilitates the strategic goals and objectives in terms of the above policy and legislative mandates and ensures that the Departmental goals and objects are translated into Departmental policies, programmes and projects, which are aligned to the Province's Strategic Goal 1.

Furthermore, the sub-programme aligns and integrates all economic policies and strategies emanating from all spheres of government.

11.3.3 Implementation Plan

In 2016/17 the sub-programme will focus on:

Economic Strategy Development

Project Khulisa, which was purposed to develop the strategic expression of PSG 1 was completed and adopted by cabinet in the 2014/15 financial year. In that year, the Department finalised its five year strategy that was aligned to the Cabinet adopted PSG 1.

However, both the PSG 1 and Project Khulisa described high level economic interventions through high level roadmaps per key area of intervention. These roadmaps and interventions must be unpacked and described in more detail through key roadmap strategy development.

Through wide stakeholder engagement the sub-programme will facilitate the development of more detailed strategic roadmaps.

Economic Policy Development

Policy provides the foundation upon which strategy is expressed. To this end, and to enable the Department to give its strategies a policy foundation, relevant sector and cross-cutting thematic policies will be developed and implemented in collaboration with the Department of the Premier's Policy unit, with the political support of the Ministry of Economic Opportunities.

For the 2016/17 year, this sub-programme will develop two key policy briefs.

Strategic Planning Sessions

In supporting PSG 1 and its accompanying Project Khulisa roadmaps, integrated planning across spheres of government, within the Department and across provincial government is required. To this end, the sub-programme will facilitate strategic planning sessions within the Department, across spheres of government within the province, across provincial government and across key economic stakeholders to agree on overall provincial strategies that maximises provincial economic outcomes.

Furthermore, the sub-programme will ensure consistent alignment to the provincial strategic goals through taking accountability for the Department's Annual Performance Planning through the development of appropriate output and outcome indicators that best speak to PSG 1 objectives.

11.3.4 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of economic strategies or policies signed off					2	3	3

11.3.5 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Sub-programme: Policy and Planning								
1.1	Number of strategies or policies reviewed and/or supported	7	10	2	4	2	3	3
1.2	Number of strategic planning sessions held	2	2	2	2	2	2	2

11.3.6 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Policy and Planning							
1.1	Number of strategies or policies reviewed and/or supported	Quarterly	2			1	1
1.2	Number of strategic planning sessions held	Quarterly	2	-		-	2

11.3.7 Risk Management

STRATEGIC OBJECTIVE: To provide economic strategy and policy leadership in the Province.	
Risk Statement	Risk Mitigation Strategy
Lack of strategic cohesion between government departments which inhibits effective policy development that facilitates growth of businesses within the identified priority sectors.	To ensure broad support to policy development, the Ministry of Economic Opportunities will participate in policy development.

11.4 Sub Programme 5.2: Research and Development

11.4.1 Performance Delivery Environment

The purpose of the sub- programme, Research and Development within Economic Planning is to conduct economic research, which would assist the Department and Western Cape government in policy and economic instrument development.

Project Khulisa has defined strategic areas for economic intervention. In addition Project Khulisa has described sector intervention roadmaps and key areas for intervention both on a sectorial and transversal level. Notwithstanding the described areas for economic intervention, apparent intelligence deficiencies exist within the Department. These intelligence deficiencies have to be addressed through research outcomes to maximise the effectiveness of the Department's economic interventions.

Indicator values are influenced by the methodologies used to accumulate them. Across Programmes and WCG measurement methodologies are inconsistent which leads to different values for the same indicator, which often leads to confusion and can lead to poor instrument development. The Department will create one central data source that will use one methodology across the Department and influence WCG to use the same economic data source.

Project Khulisa identifies the parts of the Western Cape economy that can unlock economic growth and job creation, which is the core of PSG 1. In demonstrating alignment to National Treasury regulation, which states that departments have to limit outsourcing where possible, the Department will use internal staff more efficiently in giving expression to research outcomes. It is often the case that primary research has to be undertaken because key data points that are required to shape economic interventions are not available. In these cases the Programme will consider the use of recently graduated economic interns to collect key economic data points.

Furthermore, in aligning with the thinking regarding the modernisation of the Department, the unit will focus on delivering rationalised and strategic outputs.

11.4.2 Strategic Objective

Strategic Objective	To conduct and facilitate economic research to support economic strategy policy development within the framework described by Project Khulisa.
Objective Statement	To develop 50 research reports aimed at shaping the development of economic interventions over 5 years 2015 - 2020 using credible provincial data.
Baseline	2014/15: 8 research reports

Objectives

To conduct and facilitate economic research for policy development, strategy development and to shape economic interventions as described in Project Khulisa. The provisioning of centralised economic data which includes trade related, price related data and other economic data.

A second objective will be to provide relevant data alongside primary research is aimed at aiding programmes to improve the effectiveness of the Department supported economic interventions.

11.4.3 Implementation Plan

In 2016/17 the sub-programme will focus on:

Research Reports

In support of other programmes, the sub-programme will develop research reports which will support roadmaps as described in Project Khulisa. Furthermore, research reports will be developed in response to Departmental need.

Provisioning of Economic Data through the Central Data Repository

The sub-programme will provide economic data through a central economic data repository that is easily accessible by Western Cape Government officials.

11.4.4 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Develop an economic research agenda	-	-	-	An implemented research agenda that is aligned to Project Khulisa strategies and roadmaps	Develop a research agenda: 1	An implemented research agenda: 1	An implemented research agenda: 1

11.4.5 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Sub-programme: Research and Development								
1.1	Number of Economic research reports developed	10	11	10	8	8	10	10
1.2	Maintain the centralised economic repository	n/a	n/a	1	1	1	1	1

11.4.6 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Research and Development							
1.1	Number of Economic research reports developed	Quarterly	8	2	2	2	2
1.2	Provisioning and maintaining a centralised economic data repository	Annually	1	-	-	-	1

11.4.7 Risk Management

Strategic Objective: To conduct and facilitate economic research to support policy and strategy development within the framework described by Project Khulisa.

Risk Statement	Risk Mitigation Strategy
Due to curtailing of external service providers, the development of research reports that relies on gathering primary data impact the delivery of quality research reports.	The Programme will, more widely and effectively, use economic interns to gather primary research intelligence.

11.5 Sub Programme 5.3: Knowledge Management

11.5.1 Performance Delivery Environment

The Western Cape Economic Development Partnership was established by the Provincial Government as a vehicle to execute the mandate of its growth strategy, i.e. to create opportunities for growth and jobs. The Membership of the Western Cape Economic Development Partnership Act was passed by Provincial Cabinet in December 2013.

The EDP was established and launched in 2012 to lead, co-ordinate and drive the economic growth, development and inclusion agenda for Cape Town and the Western Cape Province. It provides a new way of working together to redesign the regional economy and deliver different outcomes. The EDP will lead, co-ordinate and drive the Western Cape economic delivery system to improve knowledge management and alignment, amongst others.

External to the WCG, the work of the EDP has become increasingly demand-driven from municipal, business, academic and civil society partners and stakeholders. For example, diverse stakeholders have approached the EDP for partnering support and advice, such as the Cape Town Concerned Citizens Group (on urban land issues), Independent Philanthropy Association of South Africa (IPASA), McKinsey Global Institute, Western Cape Informal Traders Coalition, Black Management Forum, Airports Company South Africa (ACSA) and the Construction Industry Development Board (CIDB), amongst others.

The EDP is thus increasingly able to fulfill its role as a public benefit organisation, supporting diverse role-players within the regional economic development system on both the demand side and supply side, rather than operating as a traditional service provider to government.

Within WCG, EDP programmes and projects are diversifying around a number of transversal development issues at the request of various Provincial Strategic Goals (PSGs), departments and programme managers. EDP projects and activities have become more focused and targeted, with more emphasis on outputs and outcomes, including the role of partnering and partnerships within the delivery chain.

The EDP focuses on both tangible partnering outcomes, such as helping partners to agree on common agendas and to devise processes and platforms to enable joint action and delivery, as well as intangible outcomes, such as changes to institutional cultures, relationships and trust building, behavioral changes and collaborative mind-sets.

11.5.2 Strategic Objective

Strategic Objective	To strengthen the sharing of knowledge amongst stakeholders.
Objective Statement	To support institutional co-ordination through the sharing and dissemination of economic research and economic intelligence via the development of economic partnerships.
Baseline	2015/16: 2 partnerships established

Objectives

Key to economic planning is the promotion of economic development collaboration through effective partnership of regional economic players. In this regard, the Western Cape Economic Development Partnership will be used as the vehicle to achieve the above-mentioned objective.

11.5.3 Implementation Plan

The EDP has been formally mandated by the WCG through PSG 5 to draw up a Partnering Methodology and Toolkit, as part of implementing the Provincial Strategic Plan (PSP). This is part of a WCG integrated planning and budgeting approach, to give effect to the WCG slogan 'Better Together'. This approach incorporates policy alignment, spatial governance, joint planning, budget policy and partnering and partnerships for development (as indicated in the diagram below). The EDP is performing this function as a member of Working Group 4 of PSG 5.

Additionally, the EDP has been mandated to work with the Provincial Training Institute to prepare a Leadership and Partnering Training Programme from 2016 onwards to offer to WCG middle and senior managers, to be extended to municipalities at a later stage.

Furthermore, the EDP has developed specific diagnostic tools, namely, a Partnering Readiness Assessment (PRA), which is being used to test a range of projects and initiatives that may need a partnering approach; and a Partnering Impact Assessment (PIA), which is used to assess the impact of established partnerships, and is being tested as follows:

Area-based partnerships (place making)	Drakenstein Integrated Service Delivery Model (PSG 3), Saldanha Spatial Targeting (PSG 4), HoutBay Partnership (cross sector), Witzenberg planning (possible case study).
Issue-based partnerships	Community Safety Improvement Partnership (PSG 3), CCT Coastline Economic Potential, WC on Wellness Partnership (PSG3), Road Safety (PSG 3), Saldanha IDZ Company (PSG 1).
System improvement	WCG Partnering Methodology (PSG 5).
Sectors and value chains	WC Informal Traders Coalition (private sector), Project Khulisa Agri-processing Halaal Business Park (PSG 1), CPUT Technology Transfer Office (TTO) and UWC TTO.

11.5.4 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of partnerships tested by means of PIA	-	-	5	5	5	5	5

11.5.5 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Sub-programme: Knowledge Management								
1.1	Number of joint plans/projects between the Economic Development Partnership and its partners	-	-	-	2	10	10	10

11.5.6 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Knowledge Management							
1.1	Number of joint plans/projects between the Economic Development Partnership and its partners	Quarterly	10	-	-	5	5

11.5.7 Risk Management

Strategic Objective: To promote economic development collaboration through effective economic partnership of regional economic players.

Risk Statement	Risk Mitigation Strategy
Failure to secure buy-in from the stakeholders due to the lack of a common understanding, vision and communication which could negatively impact on co-delivery of strategies.	Increase the frequency and depth of collaboration between the EDP and Departmental Top Management.

11.6 Sub-programme 5.4: Monitoring and Evaluation

The activities for Sub-programme 5.4: Monitoring and Evaluation will be incorporated into Sub-programme 5.2: Research and Development.

11.7 Sub Programme 5.6: Enabling Growth Infrastructure and Initiatives

11.7.1 Performance Delivery Environment

This Sub-Programme conducts project preparation and implementation of infrastructure-orientated interventions and incubates economic initiatives which have a transversal impact on the economy. Infrastructure required for economic development has to be customized to address the competitive issues facing the economy and designed to overcome barriers or to catalyse growth and development. However, the Programme is cognisant that the existence of infrastructure does not mean that facilities are optimally utilized. Therefore additional support is required to maximize the impact that the infrastructure has for the economy. The role of the Department, therefore, is not only just about new infrastructure developments, but also about improving access to existing infrastructure in a manner that supports the economic objectives of the Province. Furthermore, the Department will stimulate, support and co-ordinate, where relevant, new projects and initiatives which have arisen as a result

of initial interventions. Mindful that many infrastructure projects fail to live up to expectations primarily because of poor post-construction support, the Sub-Programme will also provide support for off-take as and when relevant.

One of the initiatives which is being incubated within the Sub-Programme includes Design and Innovation Intervention. International research reveals that the application of Design can unlock innovation; improve efficiencies, products, systems or services; and therefore lead to competitive advantage. Similarly, if Innovation is nurtured, it can increase R&D spend in the region, drive the knowledge economy; improve products and services for citizens; improve productivity; and enhance the regional brand in order to attract investors and tourists. This in turn will result in increased jobs and growth for the economy.

It has therefore become vital that DEDAT elevate its approach to Innovation and Design to ensure that the Khulisa sectors and the economy more broadly can unlock their true potential. WCG understands that an emphasis on this dynamic changing landscape is important and that prioritising innovation and design can improve not only private sector growth, but enhance government processes and delivery, which in turn can further stimulate global procurement of local innovations.

National Government is in the process of developing a national Design Strategy, with the involvement of the Departments of Science and Technology, Arts and Culture and Trade and Industry. Research undertaken by the Department of Arts and Culture in 2015 has revealed that Design is a significant contributor to the National GDP; jobs; and cultural identity of the country. In this respect, the Western Cape is leading with their finalised Design Strategy, which can be summarized as supporting, promoting and developing design-ready businesses, business-ready designers, utilization in government and involved citizens.

One of the key initiatives in the past two years was the World Design Capital 2014. The WDC2014 impact study revealed that for every R1 spent in the City of Cape Town's R60 million World Design Capital budget, R2.46 was generated in direct and indirect investment. The figure translates to a direct impact on production of R59.2 million and R86.6 million indirectly. These impacts are described as increases in job creation, production, business sales, gross domestic product (GDP) and household income. A key aspect of the Innovation Strategic Priority therefore focuses on Design.

11.7.2 Strategic Objective

Strategic Objective	Grow and develop the provincial economy through the development of catalytic interventions and economic drivers .
Objective Statement	To facilitate R4.65 billion investment into catalytic interventions and initiatives.
Baseline	Value of investment = R1 250 million.

11.7.3 Implementation Plan

In 2016/17, the major initiatives which underpin the Sub-Programme strategic priority include:

Saldanha Industrial Development Zone and the West Coast Industrial Plan. The development of the Saldanha Industrial Development Zone is pivotal for the Project Khulisha's Oil and Gas sector as it will provide customised infrastructure and support services for then Oil and Gas hub in Saldanha Bay. With the construction of the Saldanha IDZ well under-way, the legislative process of the IDZ will be completed. 2016/17 will also see the initiation of the complementary West Coast Industrial Plan which seeks to co-ordinate top industrial projects that will be developed in the West Coast surrounds and to support and co-ordinate the necessary planning to provide bulk infrastructure, capacity and resources necessary to support the realisation of these projects.

Improved Air Access. The 2015/16 financial year saw the development of the Air Access Strategic Framework, formulated on the basis of research conducted over the previous MTEF. With respect to 2016/17, with Wesgro as the implementing agency and under the leadership of the multi-stakeholder Air Access Steering Committee, the Air Access Strategic Framework will be implemented with a particular focus on securing additional or expanded air routes and on leveraging private sector funding.

Cape Health Technology Park. The Cape Health Technology Park will see the formation of a clustering hub of health technology related and medical devices firms in the Pinelands area of Cape Town. Utilising Biovac as one of the anchor tenants, this is a joint initiative of DST and DEDAT, with the project management of the pre-implementation stage being housed by Wesgro. Set to come on line in the latter part of the 5-year strategic time-frame, the Park will provide the necessary stimulus for the growth of the health technology sector, which has been identified as a medium-term game changer by Project Khulisa.

Cape Town International Convention Centre Expansion. The CTICC expansion commenced in 2013/14 and construction work is expected to be completed in the first part of 2017. This project forms a core part of the tourism destination offering and in particular, the business tourism niche market.

Infrastructure Interventions to support other enablers. There are a number of infrastructure projects which form part of the other enabling drivers, but which can be grouped under the methodology and principles used within the Catalytic Infrastructure Sub-programme. These projects include Big Data, the Atlantis Special Economic Zone, and the Design and Innovation Hub, all of which are various stages of feasibility and pre-implementation stages.

Design and Innovation. The Western Cape Design Strategy forms the basis of the Design Initiative. The industry-interfacing Design interventions seeks to develop holistic support programmes for designers and industries that can improve their products, services and overall business' competitiveness. The "Design through Implementation" interventions concentrate on the development and implementation of collaborative projects in businesses, communities and government to galvanize and showcase the positive effects of design within the Western Cape. This includes embedding locally designed products, services, methodologies or skills into traditional businesses to improve industrial competitiveness through catalytic projects, exhibition and skills programmes. To address this challenge, traditional business must become aware of the advantages of design; how to use it successfully and how to recruit the right designers to affect the positive outcome of increased competitiveness. In this respect, the Design initiatives that will be undertaken in the 2016/7 financial year include the support of the eco-system, practical demonstrable interventions and infrastructure. The **eco-system development** will be run by the CCDI and seeks to develop both the demand and supply side of Design through the organisations' design programmes which business, market and product support for designers and innovators and include programmes of co-design facilitation, matchmaking a crowd-sourcing solutions for traditional business and government. Collaboration projects using design through **Challenges Methodologies** seek to find new solutions and innovations, through co-design and design thinking, to socio economic challenges facing the Western Cape. The project is in partnership with the Department of Human Settlements; CCDI and various design and industry stakeholders. The **Design in Infrastructure: Design and Innovation Hub** aims to provide designers, innovators, government, civil society and industry with a common space, materials and equipment for interactive design-led innovations to be developed.

While design is both inward and outward facing, Innovation has been identified as a key enabler within the Western Cape Government, with the recognition that government itself has to embrace innovation as a principle and a key outcome of its own operations. Embedding locally designed products, services, methodologies or skills into WCG will not only stimulate demand and broaden the market, but ensure that the design and innovation methodologies result in better government service delivery and efficiencies. To this end, an **Innovation Strategic Framework** will be developed during the 2016/17 financial year, focused particularly on the Economic Cluster Departments. This focus intends to identify government challenges in key area and utilise appropriate methodological tools to achieve innovation within government.

The purpose of the Nurturing Innovation Programme is therefore to unlock opportunities by:

- a. Determining the role of Innovation to unlock growth and job creation in the Western Cape, in light of Khulisa and the revised strategies at National, Provincial and local Government; and in response to the needs of Citizens, Business and Academia;
- b. Establish the basis for a holistic DEDAT and PSG 1 Innovation strategy and short-, medium- and long term plans that define which existing or new initiatives should be supported/ driven by Government based on their ability to lead to economic growth; and
- c. The strategy and plans should also ensure that duplication is avoided while enabling resource leveraging to focus and improve support to the Western Cape innovation eco-system, through collaboration with relevant partners, in new and existing strategies and initiatives.

In nurturing Innovation, DEDAT and the PSG 1 Departments seek to increase investment into the region based on the region's ability to deliver on global and local Innovation needs through a strong eco-system that is characterised by collaboration between Government, Academia, Business and Civil Society.

11.7.4 Strategic Objectives annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Sub-programme: Enabling Growth Infrastructure and Initiatives							
Value of investment		R204 million	R1 040 million	0	0	R130 million	R1 200 million

11.7.5 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Sub-programme: Enabling Growth Infrastructure and Initiatives								
1.1	Number of infrastructure projects supported	10	6	8	6	7	7	7
1.2	Number of design/innovation projects supported				5	4	5	5

11.7.6 Quarterly targets for 2016/17

Programme performance indicator	Reporting period	Annual target 2016/17	Quarterly targets				
			1st	2nd	3rd	4th	
Sub-programme: Enabling Growth Infrastructure and Initiatives							
1.1	Number of infrastructure projects supported	Annual	7	-	-	-	7
1.2	Number of design and innovation projects supported	Annual	4	-	-	-	4

11.7.7 Risk Management

Strategic Objective: To provide economic strategy and policy leadership in the Province.	
Risk Statement	Risk Mitigation Strategy
The dependency on stakeholders to support and fund the projects may lead to a delay in project (progress and implementation) and cancellation of projects.	<ol style="list-style-type: none"> 1. Participation and/or manage platforms with which the programme can engage with the leadership. 2. Provide capacity and project support to stakeholders as relevant to facilitate buy-in into projects. 3. Stakeholder co-ordination and relationships which improves strategic alignment and synergies.

11.8 Sub Programme 5.8: Broadband for the Economy

11.8.1 Performance Delivery Environment

A number of studies conducted over the recent past have shown a causal link between increased broadband penetration and a resultant growth in GDP, jobs, educational outputs and more effective service delivery, whilst contributing to greener imperatives of a smart and efficient economy. The most commonly cited statistic is that of the World Bank which correlates every 10% broadband penetration to 1.38% GDP growth in developing countries.

National Broadband Strategy, “South Africa Connect”. Following a long period of policy hiatus within South Africa's communication environment, in December 2013 the cabinet adopted the country's National Broadband Policy, also known as “SA Connect”. From the onset, SA Connect sets out the economic rationale for a robust telecommunications environment in the country. SA Connect asserts that the beneficitation of broadband infrastructure can only reap economic fruits if four key elements are dealt with, namely:

- “Broadband must reach a critical mass of South Africans;
- Access to broadband must be affordable;
- Demand-side skills must be developed to ensure that broadband services are used effectively; and
- Supply-side skills must be developed so that the economic and innovative potential of broadband can be exploited.” (SA Connect, 2013)

Western Cape Broadband Initiative (WCBBi). The WCBBi, which preceded the adoption of SA Connect, sets out a holistic approach to broadband deployment in the Province encompassing all of the recommendations of the national broadband policy. This provincial broadband strategy originally spearheaded by DEDAT has developed into a cogent transversal initiative across various departments in the Western Cape and demonstrates the understanding of the interrelated dependencies between the provision of telecommunications infrastructure, the readiness of user groups and the content/usage required for the productive use of broadband. Collectively, these aspects give effect to the economic outcomes associated with the digital economy.

The Western Cape Government (WCG) intends to ensure that a robust regional connectivity backbone for the Province is developed over the coming years. Through this, the WCG is committed to reducing the cost of communication, increasing our broadband penetration and reducing the digital divide in both urban and rural contexts. The vision is that of a Western Cape where every citizen in every town and village has access to affordable high speed broadband infrastructure and services, has the necessary skills to be able to effectively utilize this infrastructure and is actively utilizing this in their day to day lives.

The Western Cape strategy aims to build a catalytic broadband environment driving coordinated and integrated action across three programme areas viz. Connected Government, Connected Citizens and Connected Economy with three key objectives i.e. the development of infrastructure, ensuring readiness to be able to utilize the infrastructure (skills, applications, services, etc.) and driving usage of the infrastructure and services.

As part of the provincial implementation strategy, the WCG has adopted a **multi-stream** implementation plan. The Western Cape Broadband Initiative, is made up of a suite of interdependent thematic areas which together aims to achieve the objectives of a connected Western Cape province and achieve the vision, with each of the project suites focusing on all or some of the aspects of readiness, usage and infrastructure.

Stream One is responsible for driving Broadband infrastructure provision to the WCG and is driven by the Department of the Premier: Centre for e-Innovation (Cel). This will ensure that a scalable high bandwidth network connects all WCG buildings (including schools) through a long-term contract, and that this infrastructure can be leveraged to support the Province's socio-economic goals.

Stream Two is responsible for ensuring that the Economic/Value Added Stream (VAS) goals of the WCG are realized. Managed by the DEDAT and specifically the Sub-Programme: Digital Economy, it is primarily geared towards outwardly oriented programmes focusing on citizens and businesses. Stream Two comprises of the following themes:

- a. Theme 1: Connected Leadership
- b. Theme 2: Connected citizens (comprising households and communities)
- c. Theme 3: Connected Businesses

Stream Three is an Application Development stream, driven by the Department of the Premier: Centre for e-Innovation (Cel) or the Line-Function Department as is necessary. This stream includes supportive systems, processes and other applications to run on new bandwidth provision and also to maximize utilization so as to improve efficiency and effectiveness of provincial governance.

Stream Four is focussed with line-function e-strategies and will be driven via line departments. At this stage the emphasis is e-educations and it is driven by the Western Cape Education Department.

Stream Five is the newest of the streams, and deals with support to local municipalities in the Western Cape and is driven by the Department of Local Government in conjunction with Cel.

From 2010 – 2015, the main activities of the WCBi was to lay the groundwork – to make the economic, social and financial case for the investments into broadband infrastructure and programmes. In 2014, the Western Cape Government, commenced implementation of the provincial broadband infrastructure requirements and via SITA, a 10 year contract was entered into with a network provider to connect almost 2000 government sites across the province to high speed internet.

11.8.2 Strategic Objective

Strategic Objective	Grow and develop the provincial economy through the support of broadband usage, infrastructure and readiness by businesses and citizens to stimulate the broadband uptake in order to improve competitiveness.
Objective Statement	To support the usage, readiness and accessibility of broadband to increase broadband uptake to 70% in the Western Cape.
Baseline	Uptake of broadband in the Western Cape = 57%.

11.8.3 Implementation Plan

With regard to Stream 2, in order to realise the goal of a 70% up-take of broadband by 2020, the Department will direct its focus on improving accessibility, readiness and usage within citizens and businesses, using a combination of demand and supply-driven interventions.

In considering the above, the strategic priority for the Broadband Stream 2, takes the following constraints into account:

- 43% of the citizens of the Western Cape do not have access to the internet.
- Under-utilization of broadband by the private sector in the Western Cape.
- A dependency on other government departments, in particular the Department of the Premier in the deployment of infrastructure and the slow pace of adoption of digital service delivery practices by the other government departments.

For 2016/17, the project suite to be as follows, with existing projects continued and other new focus areas being developed:

Connected Leadership

Broadband Uptake Stimulation: The set of interventions under this initiative focusses on the general stakeholder coordination, industry and citizen dialogue and effective leadership in the space of the digital economy. A number of stakeholder activation methods will be used to effect the message and collaborative effort to ensure digital adoption and integration by citizens, business and government. Linked to this will be the stimulation of the content development ecosystem which aims to incentivize businesses to develop online content as a driver of broadband usage and skills, and thereby increase the competitiveness of the Province and strengthen competencies in this sector in the Western Cape.

Cape Digital Foundation: The Sub-Programme will provide ongoing support to the operationalisation and development of the Cape Digital Foundation as the leading organisation and strategic partner in the space of digital adoption and proliferation in the province.

Connected Citizens

Interactive Community Access Nodes (I-CAN) Initiative. 2016/17 will see the final year in the 2-year Proof-of-Concept test period of the Elsie's River I-CAN and the planning of the Franchise Model which aims to utilise social entrepreneurship for the development of public access centres.

Public Access Wi-Fi in partnership with Neotel, where citizens can access limited free internet access at hotspots in government buildings throughout the province. The project intends to support the roll out of 384 hotspots across the Western Cape, with 150 hotspots targeted for the 2016/17 financial year.

Citizen Internet Champion Programme is designed to complement the Public Wi-Fi hotspots programme where citizens are supported with training and assistance with respect to digital and mobile skills to enable them to effectively utilise the internet.

Skills for Broadband is a digital literacy programme which spans online and e-learning, across a range of services to improve the use and adoption of broadband and technology like the International Computer literacy licence. Training will range from basic to more sophisticated services, in line with the Broadband skills framework developed in 2013. This is supported by the E-Skills Development Platform which aims to improve the dissemination of skills through broadband in order to promote business and government efficiency and competitiveness in the Western Cape. This project aligns with the content cluster, as it brings together both supply-side and demand-side aspects.

Connected Business

The **Big Data project**, which seeks to establish a high performance computing facility in the Western Cape, will go into business development and site identification phase in 2016/17. This is a continuation of the project preparation phase that commenced in 2015/16.

Broadband for business toolkit initiative intends to increase business awareness about the benefits of broadband in order to improve business uptake of broadband and competitiveness. Similarly, the connected Business Industry Support programme seeks to provide bespoke support to the sector specific needs, in line with Khulisa and associated sectors.

Bandwidth Barn Khayelitsha will receive on-going support from the Department as Cape IT Initiative continues to manage their suite of programmes in their community-based ICT incubator in Khayelitsha, aiming to nurture the current and future generation of young ICT entrepreneurs.

11.8.4 Strategic Objectives annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Sub-programme: Broadband for the Economy							
Value of investment				R3.6 billion		-	R390 million

11.8.5 Programme performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Sub-programme: Broadband for the Economy							
1.1	Number of broadband projects supported			13	9	9	9

11.8.6 Quarterly targets for 2016/17

Programme performance indicator	Reporting period	Annual target 2016/17	Quarterly targets				
			1st	2nd	3rd	4th	
Sub-programme: Broadband for the Economy							
1.1	Number of broadband projects supported	Annual	9	-	-	-	9

11.8.7 Risk Management

Strategic Objective: To provide economic strategy and policy leadership in the Province.	
Risk Statement	Risk Mitigation Strategy
The dependency of Broadband Stream 2 projects on the delivery of other WCG broadband projects and departments which, if delayed or stalled, will result in the inability to increase broadband uptake in the economy.	<ol style="list-style-type: none"> 1. Participation on the ICT Transversal Steercom which facilitates co-ordination between WCG Broadband projects and departments. 2. Transversal project management teams to identify progress and provide support to stakeholders upon which the project relies.

11.9 Sub Programme 5.8: Green Economy

11.9.1 Performance Delivery Environment

The Western Cape is expected to be among the provinces worst hit by climate change, with increasing drought conditions in a region that is already water-stressed. The largest employer in the region – agriculture – faces a particularly challenging future as the viability of crops is threatened by climate change.

In 2013, under the support of the Department of the Premier, a holistic Western Cape Green Economy Strategy Framework was developed and adopted by the WCG. This Strategy Framework brought together all the elements impacting and impacted by climate change and resource limitations, highlighted potential job creation and economic opportunities in growing the green economy and carved a coherent vision which provided direction not only to the WCG but also to citizens, businesses, not for profit organisations and academia.

This strategy included the vision for the Western Cape to focus on low carbon economic growth and to be the leading green economic hub of the African continent. Key performance areas for the achievement of becoming low carbon and the leading green economic hub of Africa tend to include the following:

- Resource Use-Efficiency
- Reduced GHG emissions Growth in skills base for green economy and clean tech
- Growth in investment in green industries
- Growth of investment in green infrastructure

To facilitate the realisation of these objectives, the Green Economy Implementation Framework was developed in 2015/2016, providing the principles and a filter to facilitate the selection of projects and programmes that will have the biggest impact within the limited financial resources available to the WCG. The Implementation Framework is intended to be a tool for realising the WCG's vision of facilitating economic growth that consumes fewer resources, impacts less negatively on the environment, and is inclusive in terms of job creation and socio-economic benefit.

By promoting and stimulating a green economy within the Western Cape, the overall goal is to increase investment into green industries, thus stimulating employment creation and growth. This will imply fundamental changes in structure of the region's production to generate a more inclusive and greener economy over the medium to long run through macroeconomic and micro-economic interventions.

11.9.2 Strategic Objective

Strategic Objective	To facilitate green economy opportunities that enhances the competitiveness of the region and stimulates business growth and investment.
Objective Statement	To position the Western Cape as a leading Green Economic Hub of the continent through attracting and facilitating R1.35 billion green investment by 2020 into the province.
Baseline	Value of investment = R800 million

11.9.3 Implementation Plan

The purpose of this enabler is to facilitate a more energy efficient and self-sufficient Western Cape and to promote the region as a leading green economic hub.

The Green Economy Strategy framework sets out the challenges facing the province along with a set of key actions to achieve the Green Economy vision. As such, the Green Economy, under Programme 5 is reflected as both an enabler as well as a sector. As an enabler, its energy efficiency thrust will be aligned to the Project Khulisa's sectors, which have highlighted energy and water as two of the main resource constraints. Aside from this work the Green Economy will continue to stimulate a circular economy in which industry and commerce are efficient and effective delivery agents of economic growth and employment creation, i.e. consuming and transforming resources in a low carbon and more sustainable manner.

The projects undertaken in 2016/17 include:

Energy Security. With Energy Security being identified as a key game-changer for PSG 1, the Department will be providing support to the realisation of the goals and projects that comprise the Energy game changer. Some of the work already initiated in the Energy Security space will continue for instance the **Smart Grids** team will continue to work with municipalities to build capacity and capabilities around embedded generation. The Green Cape's Finance Unit will also have a strong focus on Energy security and will build on a number of opportunities identified in this space. Work on the **Liquefied Natural Gas** project will accelerate in 2016/17 as this long term project has the potential to not only impact positively on the energy security of the province but also open up new manufacturing opportunities in the region. Furthermore, to create an enabling environment to foster energy security, the preparation work for the **Atlantis Special Economic Zone** to be designated will continue.

Resource Efficiency. The Green Economy Strategy Framework is about achieving the double dividend of optimising green economic opportunities and enhancing our environmental performance. As such resource efficiency underpins the entire Strategy Framework. A particular emphasis is placed on water and waste. The projects for 2016/17 are aimed at addressing the efficient use of these two resources. The **Western Cape Industrial Symbiosis Programme (WISP)** implemented by GreenCape (GC) builds networks of businesses by identifying mutually profitable links or "synergies", so that under-utilized and under-valued resources from one business (materials, energy, water, logistics, assets and expert knowledge) are used by another. In 2016/17, the WISP team will continue to work with organisations to conclude mutually beneficial synergies which not only result in greater resource efficiency but also has a positive effect from a cost saving and landfill diversion perspective. The **Waste Economy Business Case Development** will continue in 2016/17 where the status quo of waste interventions, locally and abroad will be explored, a gap analysis performed and recommendations made on the most impactful way forward for the WCG regarding the Waste Economy in the Western Cape.

There are two projects that will address the water efficiency use challenges of the Province - the **Water Business Case** which seeks to develop an informed and co-ordinated regional approach to Water, and the **Water decision-making tool** that will be developed as a result of a four-way partnership between the National Water Research Commission, Green Cape, UCT and DEDAT. The focus of the latter is to bring attention to the need for economic development and growth to be factored into decision making with respect to water allocations by government. In addition to the Water Business Case development, the GC water project spans interventions from governance and decision making to practical engineering interventions.

The **Bioenergy and Product Diversification** in Western Cape Food Value Chains project implemented by Green Cape is a continuation of work done over the past three years. This project aims to provide support to producers in the food value chain, in order to build a critical mass of early adopters of bioenergy, efficiency and value-add from wastes. For 2016/17, the focus will be to work with companies in the bio-based space to implement at least four (4) bio-energy projects and at least 4 projects focusing on resource efficiency and identification of value-add products in current agri-processing processes.

Better Living Models. Informal settlements have always been viewed as temporary dwelling to be replaced by brick houses and large scale services. With the rapid urban population growth and the inability to meet the demand fast enough, the debate has shifted and there is now a growing understanding that informal settlements are here to stay, and indeed is the norm in many fast developing urban areas in the world.

As such there is a dire need – and a huge potentially untapped market – for innovative, cost-effective and environmentally conscious ways of improving quality of life in these areas. The **Genius of Space** project will be in its third year of implementation. This project is based on biomimicry principles of using the genius of nature to solve societal problems. This project aims to find context specific solutions to the water problem. The project is being undertaken in collaboration with the Berg River Improvement Plan Task Team. As of 2015/16 the responsibility

of project implementation has moved to the Department of Environmental Affairs and Development Planning (DEA&DP) and will continue to be implemented by them in 2016/17 with DEDAT playing an advisory role.

Leadership and Co-ordination. The Green Economy is a highly transversal area with implementation stretching across various entities and departments. The Leadership and Co-ordination component of the Green Economy is therefore a cross cutting thematic area that encapsulates the expansion of the 110% Green brand building intervention into a broader communications plan focused initially on the energy game changer, the cluster networking platform which is driven by Green Cape, as well as the coordination of all inter and intra departmental stakeholder relations.

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

Cluster co-ordination is undertaken by Green Cape. The key focus of the work – through sector desks – is to understand the opportunities and constraints within green economy sub-sectors, build relationships and facilitate communication between various national and provincial stakeholders and industry in the Green Economy. The industry work also encourages clustering amongst various sectors of the green economy. There is a close link between these clustering activities and the project work conducted under the green economy programme, as the approach to resolving barriers is continually informed by what industry tells the Department through Green Cape. Importantly, the clustering function is also aimed at attracting green economy investment into the Western Cape.

11.9.4 Strategic Objectives annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Value of investment				0	R550 million	R550 million	0

11.9.5 Programme performance indicators and annual targets for 2015/16

Programme performance indicator (Output Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Sub-programme: Green Economy							
1.1	Number of Green Economy projects supported			11	10	10	10

11.9.6 Quarterly targets for 2016/17

Programme performance indicator	Reporting period	Annual target 2016/17	Quarterly targets				
			1st	2nd	3rd	4th	
Sub-programme: Green Economy							
1.1	No of Green Economy projects supported	Annual	10	-	-	-	10

11.9.7 Risk Management

Strategic Objective: To provide economic strategy and policy leadership in the Province.

Risk Statement	Risk Mitigation Strategy
The failure of other provincial departments and local municipalities to support and implement green economy projects which will result in failure to realise the green economy strategic framework.	<ol style="list-style-type: none"> Green Economy Work Group and multi-stakeholders project management teams to ensure relevance and buy-in of stakeholders. Joint or co-funding of projects in order to ensure better buy-in of projects.

11.10 Reconciling performance targets with the Budget and MTEF

11.10.1 Expenditure estimates

Sub-programme		Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium term expenditure		
		R'000	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18
1.	Economic Policy and Planning	1 697	14 159	21 377	4 119	5 449	5 449	3 291	3 521	3 717
2.	Research & Development	6 805	5 775	4 840	4 399	5 173	5 173	11 401	8 540	9 276
3.	Knowledge Management	10 859	12 841	11 401	11 307	12 718	12 718	9 654	10 136	10 724
4.	Monitoring & Evaluation	2 644	1 915	3 396	2 641	2 476	2 476	1	1	1
5.	Management	2 732								
6.	Enabling Growth Infrastructure and Initiatives	13 419	22 136	129 340	134 594	65 806	66 674	114 520	46 244	48 703
7.	Broadband for the Economy	20 377	32 143	35 116	37 147	29 404	29 399	54 161	41 571	44 152
8.	Green Economy	3 074	496	255	21 156	23 275	22 412	25 689	25 642	27 234
Total payments and estimates		61 607	89 465	205 725	215 363	144 301	144 301	215 185	135 655	143 807
ECONOMIC CLASSIFICATION										
Current payments		43 322	47 484	59 601	72 244	68 109	68 120	89 411	70 227	74 698
Compensation of employees		15 249	16 997	16 987	22 171	24 088	23 695	22 916	24 432	25 807
Goods and services		28 073	30 487	42 614	50 073	44 021	44 425	66 495	45 795	48 891
Transfers and subsidies to		17 938	41 447	145 894	142 702	75 775	75 786	125 513	65 008	68 505
Provinces and municipalities			5 150	500						
Departmental agencies and accounts		6 262	7 735	31 091	32 258	33 258	33 258	33 159	40 322	41 631
Universities and technikons			550							
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions		11 663	27 961	114 271	110 444	42 450	42 450	92 354	24 686	26 874
Households		13	51	32		67	78			
Payments for capital assets		347	531	211	417	417	395	261	420	604
Buildings and other fixed structures										
Machinery and equipment		321	470	179	417	417	391	261	420	604
Software and other intangible assets		26	61	32			4			
Payments for financial assets			3	19						
Total economic classification		61 607	89 465	205 725	215 363	144 301	144 301	215 185	135 655	143 807

Programme 6: Tourism, Arts and Entertainment



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

12.1 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.

12.2 Programme structure

The Programme is structured as follows:

- **Sub-programme 6.1: Tourism Planning**
To develop and coordinate the strategic agenda.
- **Sub-programme 6.2: Tourism Growth and Development**
To facilitate growth and development of the tourism industry.
To enhance the quality of the visitor experience to the destination through the provision of quality tourism support services.
- **Sub-programme 6.3: Tourism Sector Transformation**
To provide for the registration and regulation of tourist guides.
- **Sub-programme 6.4: Tourism Destination Marketing**
To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996) as amended.

Performance Delivery Environment

Project Khulisa identified tourism as one of the key sectors that offer the Province the greatest potential return in terms of jobs and growth, and which have significant opportunities that require Government investment and action.

According to the 2014 Project Khulisa Final Report compiled by McKinsey and Company, tourism is a major contributor to the economy and employment in the Western Cape. It directly contributes R17 billion in GVA and accounts for 204 000 formal jobs that directly service the needs of tourists. Under a high growth scenario, the sector's GVA contribution could increase by up to 65% to R28 billion in 2019 and it could add up to a further 120 000 formal jobs over the same period. Since 2009, the sector has achieved 19% growth, in large part as a result of an additional 252 400 international arrivals into the Western Cape. The FIFA World Cup 2010 was a large contributor to this growth. Europe is our biggest international source market for arrivals (2013: Germany 26.8%, United Kingdom 23.1%, Netherlands 8.9%, France 4.9%) and the Western Cape is the biggest contributor to domestic tourism arrival numbers (65.7%).

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

Project Khulisa Tourism is a transversal approach that provides delivery of the 13 tourism initiatives across the programmes in the Department. Direct tourism destination marketing implementation will be done by Wesgro (legislative mandate) as well as the private sector and other spheres of government. This transversal approach will ensure that the following regional outcomes are met for the tourism sector as a whole:

- To achieve an increase in tourism GVA from R17 billion to R28 billion and grow tourism direct jobs by 100 000 additional formal jobs.

Problem statement

How do we drive breakaway growth in domestic and international arrivals, across the province which will allow the Western Cape tourism industry to create an additional 100 000 jobs by 2019?

Challenges

- Awareness – no clear brand; uncoordinated and sometimes competing marketing efforts; overlap in destination marketing spend by multiple public sectors; negative perception associated with Africa.
- Accessibility – onerous visa restrictions; long-haul destination; limited direct flights.
- Attractiveness – fragmented provincial tourism strategy; undeveloped tourism product offering; difficulty for tourists to move around within the destination; negative perceptions around safety of the destination.

Strategic intents

Project Khulisa identified three strategic intents that have focused and prioritized activities and outputs for delivery between 2015 and 2020. These activities and outputs contribute to the outcomes of increased GVA and direct jobs for the tourism industry. The three strategic intents are:

- Strategic intent 1: Boost awareness of the Western Cape in key markets and sectors to drive conversion.
- Strategic intent 2: Improve accessibility to Cape Town and the regions.
- Strategic intent 3: Boost the attractiveness of the region through competitive product offerings and compelling packaging.

Key initiatives

The following will unpack the major outputs for each of the three strategic intents.

Strategic intent 1: Boost awareness of the Western Cape in key markets and sectors to drive conversion from a business tourist to a leisure tourist destination.

1. Define the value proposition of the destination.
2. Develop and implement a Delegate Boosting and Conversion Programme.
3. Develop and implement an aggressive Africa and the Gulf Cooperation Council (GCC) growth strategy.
4. Develop a data and real-time business intelligence capacity.
5. Develop and implement a stakeholder co-ordination strategy.

Strategic intent 2: Improve accessibility to Cape Town and the regions.

6. Secure three direct new air routes.
7. Lobby for friendlier visa regulations.
8. Create and drive an awareness campaign on local transport options.

Strategic intent 3: Boost the attractiveness of the region through competitive product offerings and compelling packaging.

9. Position the Western Cape as the Cycling Capital of Africa.
10. Maximise culture and heritage tourism through a Madiba Legacy Tourism Route.
11. Invite the world to gather at our table as a food and wine destination.
12. Position the province as an international business and leisure events destination.
13. Develop and implement a service level improvement programme and a 'tourism benefits me' citizen campaign.

Project Khulisa Tourism adopted a transversal approach that includes delivery in the tourism initiatives across the programmes in the Department, direct tourism destination marketing implementation by Wesgro (legislative mandate) as well as the private sector and other spheres of government.

12.3 Sub Programme 6.1: Tourism Planning

12.3.1 Performance Delivery Environment

The Western Cape Tourism Partnership is the institutional mechanism driving stakeholder engagements. It is a cooperative partnership that meaningfully engages on strategy, policy and key strategic priorities. Regular partnership engagements ensure that partners act in an aligned manner to achieve cost-effective use of collective resources and a platform is provided to discuss critical issues facing the tourism industry.

Tourism Planning provides overall coordination, participation and reporting of Provincial tourism delivery as part of the National Tourism Sector Strategy. Input is provided into strategies and alignment is ensured between National and Provincial goals and objectives.

12.3.2 Strategic Objectives

Tourism Destination Management: Tourism Planning

Strategic Objective	To co-ordinate a single tourism destination strategy and delivery model which will ensure effective and integrated destination management and marketing.
Objective Statement	Single tourism destination strategy and delivery model developed by 2020.
Baseline	2014/15 – 5 year review and development of 5 year Tourism, Craft & Film growth strategies.

12.3.3 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
A single tourism destination strategy and delivery model developed by 2020.	-	-	-	-	-	-	1

12.3.4 Implementation Plan

In response to the facilitation of the key initiatives as part of the Western Cape Government's transversal approach, this sub-programme will be responsible for facilitation of stakeholder management and developing and implementing a stakeholder co-ordination strategy in the 2016/17 financial year. In addition, consultative and cooperative tourism planning will be focussed on:

- Provide a platform for dialogue that the public and private sectors are willing to collaborate strategically and financially.
- Address industry blockages, specifically focusing on engagement with national government on visa issues.
- Chairing the Western Cape Tourism Partnership. This is the institutional mechanism driving stakeholder engagement on strategic and critical issues facing the tourism industry.

12.3.5 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Sub-programme: Tourism Planning								
1.1	Development of a stakeholder co-ordination strategy	-	-	-	-	1	1	1

12.3.6 Quarterly targets for 2015/16

Programme performance indicator	Reporting period	Annual target 2016/17	Quarterly targets				
			1st	2nd	3rd	4th	
Sub-programme: Tourism Planning							
1.1	Development of a stakeholder co-ordination strategy	Annual	1	-	-	-	1

12.3.7 Risk Management

Strategic Objective: To co-ordinate a single tourism destination strategy and delivery model which ensures effective and integrated destination management and marketing

Risk Statement	Risk Mitigation Strategy
Failure to secure buy-in and co-operation from public and private stakeholders due to a lack of common understanding and goals which could negatively impact on co-delivery of the Tourism Strategy.	Regular focused engagements and formalised agreements with stakeholders in the Western Cape Tourism Partnership, to ensure agreed upon implementation plans.

12.4 Sub Programme 6.2: Tourism Growth and Development

12.4.1 Performance Delivery Environment

Tourism Growth and Development will contribute to the Western Cape's Tourism Strategy by developing and managing the Western Cape as a tourism destination for improved global competitiveness. For the destination to be globally competitive it is important that the product offering is varied and is of good quality and provides world class tourism experiences.

This area will adopt a transversal approach with Wesgro, DEDAT's Ease-of-Doing Business Unit and Strategic Initiatives Unit to deliver targeted actions designed to improve destination accessibility and attractiveness by supporting prioritised tourism niche markets, products and infrastructure in the destination.

One of the challenges that the Khulisa project highlights is the tourist's perceptions of the safety of the destination. This area will manage the negative perceptions around safety of the destination and create a positive and caring atmosphere for tourists in distress. In addition, focus will be on improving the movement of tourists within the destination, by ensuring that appropriate and visible tourism road signage is in place.

12.4.2 Strategic Objectives

Tourism Destination Management: Tourism Growth and Development

Strategic Objective	To boost the attractiveness of the region through competitive product offerings and to improve accessibility to Cape Town and the regions.
Objective Statement	To facilitate tourism niche markets, products and infrastructure support in the destination.
Baseline	2014/15: 2 tourism products supported/developed (niche markets, route development).

12.4.3 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of tourism niche markets supported	-	-	-	-	2	2	2

12.4.4 Implementation Plan

In response to the implementation of the Khulisa Tourism's 13 key initiatives as part of the Western Cape's Government's transversal approach, this sub-programme will be responsible for driving the development and facilitation of the following six initiatives in the 2016/17 financial year:

Strategic intent 2: Improve accessibility to Cape Town and the regions:

- Secure three direct new air routes (Strategic Initiatives will take the lead).
- Lobby for friendlier visa regulations (Programme 2 will take the lead)
- Create and drive an awareness campaign on local transport options (development by DEDAT, implementation by Wesgro).

Strategic intent 3: Boost the attractiveness of the region through competitive product offerings and compelling packaging:

- Position the Western Cape as the Cycling Capital of Africa.
- Maximise culture and heritage tourism through a Madiba Legacy Tourism Route.
- Develop and implement a service level improvement programme and a 'tourism benefits me' citizen campaign.

Facilitate the following supply-side measures to enhance the attractiveness of the tourism visitor experience for the 2016/17 financial year:

1. Manage the negative perceptions around safety of the destination by providing a pro-active and a re-active response to tourists in distress.
2. Improve the movement of tourists within the destination, by facilitating tourism road signage applications.
3. Enhance and create an awareness of the tourism product offering through the development of tourist guides and by ensuring registration and regulatory compliance.

12.4.5 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Sub-programme: Tourism Growth and Development								
1.1	Number of tourism products supported.	1	1	2	1	2	2	2
1.2	Tourism Support Services: Number of tourism establishments/ individuals supported/ assisted	950	225	210	180	180	180	180
1.3	Number of Service Level improvement programmes implemented	-	-	-	-	1	1	1

12.4.6 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Tourism Growth and Development							
1.1	Number of tourism products supported.	Annually	2	-	-	-	2
1.2	Tourism Support Services: Number of tourism establishments/ individuals supported/ assisted	Quarterly	180	45	45	45	45
1.3	Number of Service Level improvement programmes implemented	Annually	1	-	-	-	1

12.4.7 Risk Management

Strategic Objective: To boost the attractiveness of the region through competitive product offerings and to improve accessibility to Cape Town and the regions.

Risk Statement	Risk Mitigation Strategies
<p>Lack of diverse and undeveloped product offering in the Western Cape could result in tourists finding the destination less attractive.</p> <p>The Western Cape's ability to compete as a tourist destination globally is hampered by:</p> <ul style="list-style-type: none"> The proposed visa regulations. The threat to tourist personal safety to health. 	<p>Support of prioritised tourism niche markets in collaboration with private and public sector to enhance the product offering.</p> <p>The following risk mitigating actions will be in place:</p> <ul style="list-style-type: none"> The Ease of Doing Business Unit will conduct regular engagements with the National Department of Home Affairs with regard to visa regulations Dedicated pro-active and re-active institutional mechanism that manages safety perceptions and creates awareness and provide a positive response to tourists in distress.

12.5 Sub Programme 6.3: Tourism Sector Transformation

12.5.1 Performance Delivery Environment

The tourist guiding sector in South Africa is governed by the National Tourism Act 3 of 2014 and the Regulations in respect of tourist guides. As set out in the Act and Regulations, the National Registrar and Provincial Registrars of Tourist Guides are responsible for the registration, regulation and development of tourist guides.

As a regulatory body, it is imperative to ensure that the tourist guiding sector grows to continually meet the needs of tourist visiting the destination. It is equally important to equip tourist guides with the necessary knowledge and skills to enhance the services that they provide and to effectively address the challenges facing the sector.

This unit will enhance and create an awareness of the tourism product offering by developing and regulating a sustainable tourist guiding sub-sector, in line with the legislative mandate.

12.5.2 Strategic Objectives

Strategic Objective	Tourism Destination Management: Tourism Sector Transformation.
Objective Statement	To register and regulate the tourist guiding sub-sector.
Baseline	<p>To ensure an effective and efficient tourist guide regulatory service.</p> <p>Effective and efficient tourist guide regulatory service.</p> <p>2014/15: 1 666 tourist guides registered.</p> <p>2014/15: 512 tourist guides developed.</p> <p>2014/15: 1 044 tourism businesses inspected.</p>

12.5.3 Implementation Plan

A professional and sustainable tourist guiding sub-sector comprises fully registered and highly competent tourist guides. By making experiences more memorable and by providing quality and value for money services to visitors during their stay in the province, tourist guides can contribute significantly to returning visitors. Upskilling of tourist guides is based on the ability to demonstrate that tourist guides are fundamentally part of information provisioning to visitors.

The Provincial Registrar is responsible for registering and renewing tourist guides in the Western Cape. The database of tourist guides must also, in terms of the Tourism Act 3 of 2014, be maintained and published. The Western Cape Database in the form of the Tourist Guide Register is the system used to register and renew tourist guides as well. The Tourist Guide Register needs to be upgraded and maintained in order to complement current technology and requirements to tie into the national database. A direct link from the Western Cape Government's website into the Tourist Guide Register enables tour operators and potential clients to search for and find registered tourist guides.

In order to give effectiveness to the Tourism Act 3 of 2014, the Department will implement a tourist guide inspection programme. The objectives of the tourist guiding inspections are:

- To curb illegal guiding activities in the Western Cape;
- To create awareness amongst the general public and visitors about the use of professional and legal guides;
- To create awareness amongst the illegal guides about the implications of guiding illegally;
- To create a positive image of the guiding sector; and
- To contribute to the professionalization of the tourist guiding sector.

12.5.4 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Sub-programme: Tourism Sector Transformation								
1.1	Number of tourist guides developed	-	-	512	410	52	52	52
1.2	Number of individuals registered (tourist guides)	1 633	1 477	1 666	1 000	1 100	1 200	1 300
1.3	Number of individuals/ tourism related businesses inspected or monitored (tourist guides)	1 077	1 108	1 044	80	80	100	130

12.5.5 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Tourism Sector Transformation							
1.1	Number of tourist guides developed	Quarterly	52	-	-	52	-
1.2	Number of individuals registered (tourist guides)	Quarterly	1 100	200	300	300	300
1.3	Number of individuals/ tourism related businesses inspected or monitored (tourist guides)	Quarterly	80	20	20	20	20

12.5.6 Risk Management

Strategic Objective: To boost the attractiveness of the region through competitive product offerings and to improve accessibility to Cape Town and the regions.	
Risk Statement	Risk Mitigation Strategy
Reputational risk to the destination if incorrect information is provided by illegal guiding.	Dedicated regulatory capacity in place to ensure the registration of tourist guides and monitoring of the tourist guiding industry and upskilling for existing tourist guides.

12.6 Sub Programme 6.4: Tourism Destination Marketing

12.6.1 Performance Delivery Environment

Legislative mandate

Wesgro's (a schedule 3 public entity) strategic powers, as provided for in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996) (as amended), include:

- To furnish tourism, trade and investment marketing assistance and expert and specialised advice, information and guidance to any business, company or association of persons who so request it from the Agency or would assist the Agency in achieving its objects.
- To act as the tourism, trade and investment promotion agent on behalf of the Province and to facilitate co-ordinated destination marketing activities for the Western Cape.
- To develop, implement and promote a provincial tourism, trade and marketing strategy and implement any project that realises growth in the economy of the Western Cape.

Strategic mandate

The Western Cape Government's strategic mandate provides that Wesgro:

- Conduct tourism destination marketing and promotion for Cape Town and the Western Cape.
- Ensure that priority focus is given to the initiatives identified by Project Khulisa Tourism.

12.6.2 Strategic Objectives

Tourism Destination Marketing

Strategic Objective	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its legislative and strategic mandate for trade and investment promotion.
Objective Statement	Total estimated economic value of tourism destination marketing initiatives supported by 31 March 2020.
Baseline	New indicator. Baseline to be established by the end of 2016/17.

12.6.3 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Estimated economic value of tourism destination marketing initiatives supported by 31 March 2020	-	-	-	-	R149m	R156m	R164m

12.6.4 Implementation Plan

In response to Project Khulisa Tourism and in relation to its role in terms of tourism destination marketing and promotion, Wesgro will be responsible for direct implementation of the following key initiatives in the 2016/17 financial year:

Strategic intent 1: Boost awareness of the Western Cape in key markets and sectors to drive conversion.

- Define the value proposition of the destination.
- Develop and implement a Delegate Boosting and Conversion Programme.
- Develop and implement an aggressive Africa and GCC growth strategy.

Strategic intent 3: Boost the attractiveness of the region through competitive product offerings and compelling packaging (in collaboration with the destination management efforts of the Department).

- Position the Western Cape as the Cycling Capital of Africa.
- Maximise culture and heritage tourism through a Madiba Legacy Tourism Route.
- Invite the world to gather at our table as a food and wine destination.
- Position the province as an international business and leisure events destination.

In response to Project Khulisa Tourism and in relation to its role in terms of tourism destination marketing and promotion, Wesgro will play an instrumental role in co-implementation of the following key initiatives in the 2016/17 financial year:

Strategic intent 1: Boost awareness of the Western Cape in key markets and sectors to drive conversion.

- Develop a data and real-time business intelligence capacity.
- Implement a stakeholder co-ordination strategy, as it relates to tourism destination marketing.

Strategic intent 2: Improve accessibility to Cape Town and the regions.

- Secure three direct new air routes.
- Lobby for friendlier visa regulations.
- Create and drive an awareness campaign on local transport options.

Strategic intent 3: Boost the attractiveness of the region through competitive product offerings and compelling packaging.

- Implement a service level improvement campaign and a 'tourism benefits me' citizen campaign.

* Please refer to the detailed 2016/17 Annual Performance Plan tabled by the public entity.

12.6.5 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)		Audited/Actual performance			Estimated performance	Medium-term targets		
		2012/13	2013/14	2014/15		2015/16	2016/17	2017/18
Sub-programme: Tourism Destination Marketing								
1.1	Number of tourism destination marketing initiatives supported	-	-	-	-	13	13	13

12.6.6 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Tourism Destination Marketing							
1.1	Number of tourism destination marketing initiatives supported	Annually	13	-	-	-	13

12.6.7 Risk management

Strategic Objective: To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its legislative and strategic mandate for tourism promotion.

Risk Statement	Risk Mitigation Strategies
Failure to provide strategic leadership and the necessary resources which may lead to mis-aligned strategy and delivery on the WCG's strategic priorities.	Strategic direction provided by the Executing Authority, the Accounting Officer and the relevant Senior Managers in the Department. The necessary resources agreed upon between the Board, the CEO and the Executive of Wesgro and the Executing Authority, the Accounting Officer and the relevant Senior Managers in the Department.
Failure to effectively ensure and oversee that the allocated funds are utilised as per the transfer payment agreement, which may result in the non-delivery of pre-determined output and outcome targets.	Improved and co-ordinated interaction between the Department and Wesgro to monitor progress via quarterly progress meetings and reports (including management accounts). Monthly updates of the operational plan and the agreed upon evidence framework.

12.7 Reconciling performance targets with the Budget and MTEF

12.7.1 Expenditure estimates

Sub-programme		Audited			Main appropriation	Ad-justed appropriation	Revised estimate	Medium-term estimate		
R'000		2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
1.	Tourism Planning	3 533	3 863	4 198	3 551	1 556	1 556	1	1	1
2.	Tourism Growth and Development	4 564	4 838	3 110	3 441	1 663	1 663	1	1	1
3.	Tourism Sector Marketing	8 508	8 702	9 231	6 538	8 419	8 419	14 061	11 004	13 410
4.	Tourism Destination Marketing	25 000	22 600	22 000	28 300	28 300	28 300	32 525	32 525	32 525
5.	Commercial Arts and Entertainment	8 740	7 551	6 560	641	333	333			
Total payments and estimates		50 345	47 554	45 099	42 471	40 271	40 271	46 588	43 531	45 937
ECONOMIC CLASSIFICATION										
Current payments		17 157	17 013	16 361	14 076	11 864	11 852	11 413	10 943	13 336
Compensation of employees		12 336	12 500	12 706	12 118	9 918	9 817	7 850	8 372	8 846
Goods and services		4 821	4 513	3 655	1 958	1 946	2 035	3 563	2 571	4 490
Transfers and subsidies to		33 040	30 413	28 600	28 300	28 312	28 313	35 175	32 525	32 525
Provinces and municipalities										
Departmental agencies and accounts		27 000	25 100	24 500	28 300	28 300	28 300	35 175	32 525	32 525
Universities and technikons										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions		4 920	4 000	3 500						
Households		1 120	1 313	600		12	13			
Payments for capital assets		133	128	123	95	95	106		63	76
Buildings and other fixed structures										
Machinery and equipment		133	128	123	94	94	105		63	76
Software and other intangible assets					1	1	1			
Payments for financial assets		15		15						
Total economic classification		50 345	47 554	45 099	42 471	40 271	40 271	46 588	43 531	45 937

Programme 7: Skills Development and Innovation



DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

PROGRAMME 7: SKILLS DEVELOPMENT AND INNOVATION

13.1.1 Purpose

To facilitate the provisioning of human capital and innovation skills in order to deliver on the Economic Human Resource Development needs of the Western Cape.

13.1.2 Programme structure

The Programme is structured as follows:

Sub-programme 7.1: Provincial Skills and Partnership

- To promote coordination, partnerships and collaboration for increased access to occupationally directed programmes;
- To develop provincial mechanisms for the management of skills information and data.

Sub-programme 7.2: Skills Programmes and Projects

- To facilitate/support unemployed or underemployed youth to access jobs.

Sub-programme 7.3: Skills Incentives

- To facilitate demand-led work placement and funding opportunities for youth to gain workplace experience.

Context

The Medium Term Strategic Framework (MTSF 2014-2019) highlights that investment in quality education as well as in skills development, should form the bedrock of the Government's approach to addressing the challenges of the youth.

The MTSF also indicates that to reduce poverty, eliminate structural unemployment, implement a comprehensive social security system, build social cohesion and reduce crime will depend to a large extent on the progress made in growing the economy in an equitable manner, underpinned by a growing skills base. The MTSF suggests that in turn, progress in these social areas will contribute to economic growth.

South Africa has made considerable progress over the last two decades to transform the economy, almost nearly doubling its GDP in real terms, changing the socio-economic outlook of millions of South Africans and providing access to services.

Despite these achievements, the country has been plagued by high levels of unemployment, and in more recent years the South African economic growth prospects has waned to levels well behind the rest of sub-Saharan Africa. The country currently finds itself in what is termed a low-growth trap.

The economy has slowed dramatically in recent years, and job creation has been disappointing. Since 2008, South Africa has posted average annual GDP growth of just 1.8%, less than half the growth rate experienced from 2004 to 2007. The nation's unemployment rate remains among the highest in the world, at 25%. Youth unemployment stands at 52%, diminishing prospects for the next generation of South Africans.

Accelerating growth and job creation are critical imperatives for South Africa. The good news however, is that despite the growing lack in confidence and despair, as a country we can achieve economic growth alongside employment growth.

The Western Cape Government, with the emphasis on Provincial Strategic Goal one, has identified economic growth and job creation as its number one priority. To achieve this Government has identified a number of economic sectors for immediate focus (for the next five years), while other sectors would be targeted in subsequent years – all with the aim of achieving PSG1 objectives. The sectors for immediate focus are: Tourism; Rigging and Ship Repair; and Agri-processing.

In support of economic growth and jobs, the skills development as an enabler has also targeted the skills needed in these sectors and have identified areas within these with the greatest chance of success and which cut transversally across sectors.

The emerging sectors in South Africa offer job creation opportunities for many skilled and semi-skilled youth 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 are in agreement that large numbers of people equipped with technical and vocational skills are desperately needed to alleviate skills shortage for the emerging and existing sectors within South Africa and the Western Cape.

One of these "skill deficient areas" is the technical and vocational skills, which incidentally have been chosen, based on an assessment of the quantity and scale of skills development intervention required. In this regard it is estimated that about 40% to 60% of South African youth should graduate through vocational education and training programmes by 2030. This represents a dramatic increase from the 8% of 15 to 24-year-olds who completed such programmes in 2013.

However those remaining in the traditional education could also be enhanced through improvement in the quality of school leaving qualifications, with a strong focus on strengthening language skills, mathematics, and science.

Improving the "soft skills" of South Africa's youth through coaching on workplace behaviour, interview preparation, customer relations, and communication skills as well as initiatives such as job shadowing is also an essential ingredient for a competitive workforce.

Further opportunities also exist to foster entrepreneurship among youth as South Africa has among the lowest rates of new business creation in the world. Even though there are existing initiatives underway aimed at tackling these issues, efforts will have to be made to scale the development of culture of entrepreneurship amongst the youth.

The National Skills Development Strategy (NSDS III) places great emphasis on relevance, quality and sustainability of skills training programmes to ensure that they impact positively on poverty reduction and inequality. It focuses on the following goals:

- Establishing a credible institutional mechanism for skills planning;
- Increasing access to occupationally-directed programmes;
- Promoting the growth of a public FET college system that is responsive to sector, local, regional and national skills needs and priorities;
- Addressing the low level of youth and adult language and numeracy skills to enable additional training;
- Encouraging better use of workplace-based skills development;
- Encouraging and supporting cooperatives, small enterprises, worker-initiated, NGO and community training initiatives;
- Increasing public sector capacity for improved service delivery and supporting the building of a developmental state; and
- Building career and vocational guidance.

One of the leadership opportunities taken by the Western Cape Provincial Government has been the establishment of the Provincial Skills Forum as an appropriate mechanism to improve the alignment between the supply and the demand for skills. The continued functioning of the Provincial Skills Forums, together with its technical workgroups will address the coordination and many transversal skills development challenges experienced across stakeholders of whom each has its own mandate and interaction on the skills interventions. The focus on co-ordination of stakeholders within the skills eco-system will reduce the levels of inertia, fragmentation, duplication of effort and attract greater synergy in skills development interventions, which has contributed towards the misalignment of the skills supply and demand.

Greater co-ordination amongst skills development stakeholders allows for improved planning and co-ordinated implementation of skills programmes, enabling enhanced impact and sustainable success.

The identified projects have a number of broad deliverables:

- Creating access to programmes that support occupations and trades;
- Facilitating the necessary relationships and institutional capacity to ensure ongoing supply of skills to the region or sector;
- Increasing workplace experiential learning opportunities;
- Increasing access to occupational programmes and qualifications through Recognition of Prior Learning;
- Assisting school leavers and unemployed to gain access to programmes that support occupational development;
- Facilitating the necessary relationships with public and private enterprises to access and support workplace opportunities;
- Facilitating the necessary relationships with public and private partners to jointly fund a single Artisan Development Model; and
- Creating and implementing a multiple entrance or exit system that supports lifelong learning and ensures that all South Africans have equal access to career opportunities based on prior learning.

As a result, the Western Cape Government has approved technical and vocational skills development as one of eight game changers in the current term of office. The Skills Game Changer has identified the following goal: Sufficient appropriately qualified artisans to meet the needs of priority sectors and economic growth. This game changer focuses on artisan and related technical skills in 16 priority areas and falls under Provincial Strategic Goal 1.

13.2 Sub-programme 7.1: Provincial Skills and Partnership

Performance Delivery Environment

One of the reasons for not being able to make significant strides in addressing this set of challenges is the lack of co-ordination amongst the stakeholders, where the impact of projects is muted or sub-optimal because of a fragmented and silo approach by individual organisations. One of the main objectives of the Provincial Human Resource Development Council is to facilitate co-ordination amongst stakeholders to improve information sharing and enhance understanding of the value and roles of other organisations involved in the value chain.

Greater co-ordination amongst skills development stakeholders allows for improved planning and co-ordinated implementation of skills programmes, enabling enhanced impact and sustainable success.

To sustainably achieve the objective of increasing the vocational or artisanal skill pool, a number of levers or projects have been identified, and include amongst others:

- Enhanced awareness of technical and vocational careers as options to young people exiting the schooling and higher education systems;
- Increased enrolment into Bridging Programmes that would make young people “more employment ready”;
- Increased access to work placement and funding opportunities to prospective technical and vocational skills candidates; and
- Reduced regulatory barriers across the skills pipeline.

Escalating skills development to a Game Changer status has brought about a renewed focus on the transversal and collaborative nature of skills development interventions and their connectedness to various phases of the education system (Basic education, further education and training and higher education); the diverse mandate and interest of role players; and appeals to, in the interest of the Country and the Western Cape, to develop common agendas and targets for skills development. For this reason there has been the introduction of the Skills Game Changer, with transversal targets and strategic objectives. These changes are taken up in the Annual Performance Plan, 2016/17 and will have to lead to adjustments in the 5-year Departmental Strategic and Performance Plan to be tabled in 2016/17.

13.2.1 Strategic Objective

Sub-programme 7.1: Provincial Skills and Partnership

This sub-programme is project leading the Skills Game Changer that has a vision of supplying “Sufficient, appropriately qualified technical and vocational skilled people to meet the needs of prioritised economic growth areas in the Western Cape “, with the following provincial strategic objectives.

Strategic Objective	To increase the throughput rate of learners in the workplace based TVET system.
Objective statement	80% of apprenticed learners achieve a positive summative assessment in the TVET system.
Baseline	6 000 (estimated)
Justification	An apprenticed learner is a catch all phrase for learners in workplace based learning programmes including internships, learnerships, apprenticeships, skills programmes and learners placed in work exposure programmes.
Links	Alignment of stakeholder planning, implementation and reporting together with concomitant resource allocations.

This objective also forms part of the intended performance agreements of MECs and responsible staff in the partner departments. It aims to track the performance or transition from education into the workplace and employment.

Strategic Objective	To increase the number of TVET graduates finding employment (formal or self-employment).
Objective statement	80% of qualified TVET graduates are either employed or self-employed.
Baseline	4 800 (estimated)
Justification	After completing workplace based learning programmes including internships, learnerships, apprenticeships and skills programmes, learners are placed in work exposure programmes and these people find employment within industry or start their own enterprise.
Links	Strong links to national strategies such as NSDS III, provincial economic policies and local skills development ecologies. Links with the Cape Higher Education Consortium (CHEC), Technical and Vocational Education and Training (TVET) colleges, Sectoral Education and Training Authorities (SETAs), local government, organised business and labour.

Strategic Objective	To better coordinate government training programmes of internal and external candidates across departmental programmes and departments.
Objective statement	The objective is to improve the coordination of government training programmes of internal and external candidates across departmental programmes and departments to increase the absorption rate of interns into government and business by 10% by March 2020.
Baseline	Baseline will be established in 2016/17.
Justification	<p>Departments across the Western Cape Government are involved in a number of training initiatives, which include pre- and in-service training, internal and external skills development initiatives and the placement and employment of bursary beneficiaries and interns. These activities are often not coordinated within the Province, resulting in government not being able to harness the potential of the beneficiaries or optimise the benefits of having trained the individuals.</p> <p>Working in an integrated manner across the programmes in the Departments of Economic Development and Tourism and Agriculture, the two departments, together with the Provincial Empowerment and Training Chief Directorate, will adopt a more inclusive and coordinated approach to skills development and training.</p> <p>The focus will be on training programmes, bursaries, external placement of bursary holders, placement and employment opportunities, and a greater focus on the Expanded Public Works Programme to create a pipeline into the skills development arena.</p>
Links	National Skills Development Strategy III for SA; HRDSSA; National Development Plan; Medium Term Strategic Framework; DPSA.

13.2.2 Strategic Objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of Collaborative Skills Interventions supported	-	4	10	8	8	8	8
Value of Funds Leveraged	R4.3m	-	R21.785m	R20m	R20m	R30m	R30m

13.2.3 Implementation Plan

Good quality career awareness and guidance programmes aim to inform, enthuse and steer its targeted audience to career opportunities in areas of the economy where labour could be absorbed. Considering the fact that there is a need to get young people interested in pursuing careers in technical and vocational skills, experience has shown that the result has been less than optimal.

One of the reasons cited is that the career awareness events that are currently being offered prove to be too generic and that young people are often not specifically directed towards the technical and vocational trades that are in high demand.

To remedy this, the rolling out of a number of career awareness events; training materials; electronic media and exposure opportunities; lecturer and teacher orientation on technical and vocational skills as a career will be done in collaboration with various partners. These partners include: the Western Cape Departments of Education; Agriculture; and Transport and Public Works; the Department of Higher Education and Training; Technical Vocational Education and Training Colleges, the Sectoral Education and Training Authorities and others.

The development and completion of a career awareness platform, already started in previous financial years, will promote careers in the priority areas of the Western Cape economy. This platform, referred to as the e-skills platform, will enhance collaboration with stakeholders with the view to:

- Address the critical area of the skills supply-demand mismatch and help guide learners, potential entrants to the labour market, employment seekers and those already employed to achieve an awareness of the various careers that exist in a particular sector of the economy; and
- Inform on processes to be followed in instances once a decision on a particular career has been taken and to provide information on opportunities for upskilling and career pathing.

The Department will further partner with Higher Education Institutions (HEIs), Technical Vocational and Training Colleges (TVETCs), Sector Education and Training Authorities (SETAs) and business to ensure increased access to Career Awareness programmes and skills competitions.

Technical and Vocational Education and Training Colleges offer a wide variety of programmes that support **Trade and Occupational Development**. These programmes aim to introduce, particularly young people with access to job opportunities and a sense of quality inputs into industry.

Companies report that due to the variable quality of exits from TVET Colleges, the theoretical components of training should be complimented with a practical element. This objective is addressed through the introduction of Bridging Programmes aimed at making youth exciting more employable. The Competency Based Modular Training (CBMT) is one such bridging programme. The CMBT modules support various theory streams, complimenting youth with specific practical skills, which can improve their employability. However, these programmes are not necessarily funded by the necessary skills institutions. In filling this vacuum, the Department has started in previous years and continue to support funding CBMT programmes as it has been found that it improves a learner's employability and reduces the time required at a company before the learner is considered trade test ready and employable.

Work placement is one of the most important phases for the development of technical and vocational skills. These include TVET youth to be placed within companies to gain work place experience, either through on-the-job training; short courses; learnerships; internships and apprenticeships.

The big challenge is to find sufficient host companies and match the skill required to what is currently available from a supply of youth point of view. Despite the relative success of this approach in the recent past, the depressed economic environment poses substantive risks to finding enough work places for youth to gain work place experience and hopefully access meaningful and permanent employment.

A number of mechanisms have been established to open the “work place” doors to companies taking on young TVET graduates. These include incentives such as claiming back on the training levies collected from Sectoral Education and Training Authorities; the Youth Tax Incentives; and Broad Based Black Economic Empowerment improved ratings. Despite these, many companies are not accessing the necessary skills incentives and have not provided adequately for skills development internally or internship offering. DEDAT, to strategically remedy these challenges, will survey selected companies to better understand what regulatory barriers are hampering companies from accessing skills development funding and support to youth. The results of this survey will be used to develop detailed action plans to reduce those regulatory barriers and facilitate easier access to skills incentives.

The completion and hosting of the e-skills project offers further opportunities to extend the reach and efforts of skills development practitioners and other stakeholders in their relative sphere of influence. Included in the e-skills ecosystem, are: the Skills Intelligence Platform (SIP); Learning Management System (LMS); the Career Awareness Platform (CAP); and the Learning Market.

This project, started in the previous financial year is now reaching an advanced stage and will within 2016/17 have a fully operational skills intelligence platform, career awareness platform and learner management system to engage users with an option to engage in blended learning opportunities.

The e-skills platform will facilitate collaboration and communication between stakeholders, offer an integrated open source learning management system and a career awareness platform.

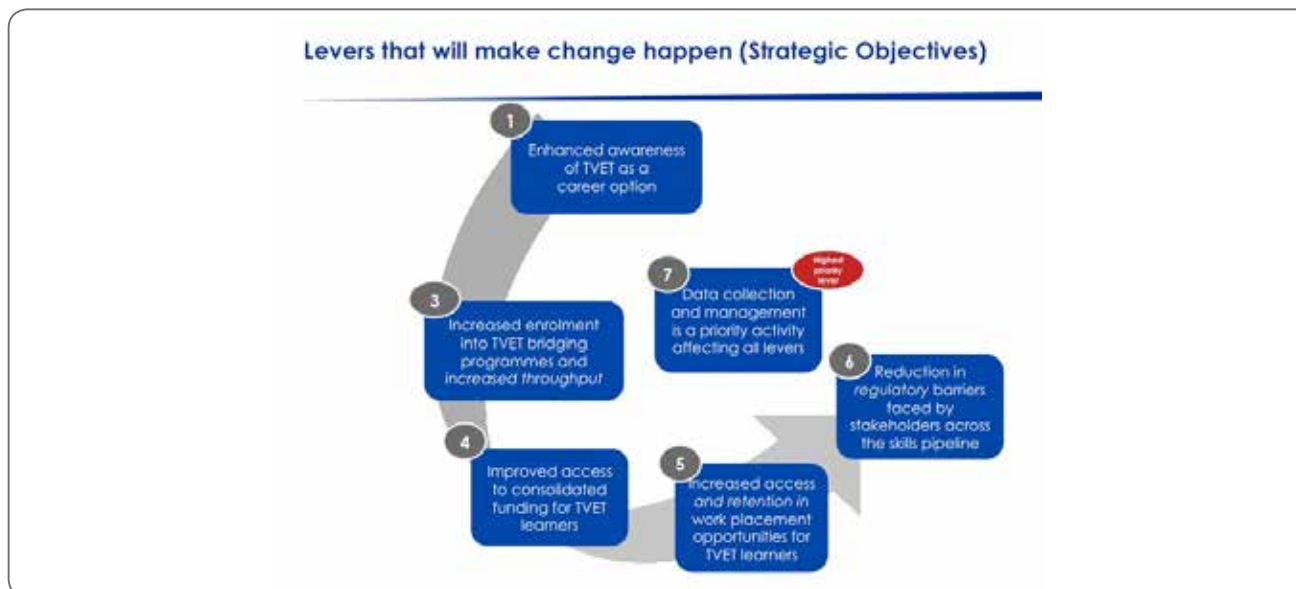
The 2015/16 financial year has been spent finalizing the e-Skills Platform and during 2016/17 this project will be launched to all stakeholders. A marketing and communication strategy will be launched to improve the reach of skills stakeholders beyond their current reach. This financial year will also see the enhancement of the Platform, based on stakeholder feedback and general maintenance.

Data Management

An important role of the Provincial Skills unit is the management of skills data and reporting to the various structures as mandated. A key initiative that will be undertaken in this financial year is developing an understanding of the occupations in demand, sectoral and regionally and to overlay it with the supply of these skills across providers. It is hoped that this will provide for improved predictions as to the extent and type of skills demanded by and supplied to the Western Cape economy. This analysis will be undertaken in partnership with the Department of Higher Education and Training and other partners.

The five key levers of the Skills Game changer are highlighted in figure 1 below and show how the levers have been prioritised for implementation in the 2016/17 financial year and beyond.

Figure 1:



13.2.4 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output indicator)	Audited/Actual performance			Estimated performance	Medium-term targets			
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Sub programme: Provincial Skills and Partnership								
1.1	Number of structured and scheduled skills engagements, forums and events	-	14	16	20	24	24	24

13.2.5 Quarterly targets for 2016/17

Programme performance indicator	Reporting period	Annual target 2016/17	Quarterly targets				
			1st	2nd	3rd	4th	
1.1	Number of structured and scheduled engagements, forums and events	Quarterly	24	6	6	6	6

13.2.6 Risk Management

Strategic Objective: To increase the throughput rate of learners in the workplace based TVET system. To increase the number of TVET graduates finding employment (formal or self-employment). To better coordinate technical and vocation training programmes across accessible stakeholders.

Risk Statement	Risk Mitigation Strategies
Lack of participation/buy-in of key stakeholders and social partners could result in uncoordinated intervention.	Continue the management of skills forums that allow for collaborative planning, implementation and monitoring of skills interventions. Enhancement of data, information, administration and tracking of graduates and funding sources; and improve communication mechanisms to achieve synergy and the sharing of good practice/models.

13.3 Sub-programme 7.2: Skills Programmes and Projects

13.3.1 Performance Delivery Environment

This sub-programme aims to support beneficiaries with stipend work placement opportunities. This experiential work programme has been designed in response to research findings that concluded that first time work seekers who gain work experience, have greater chances of finding temporary or permanent employment opportunities.

Increasingly employers are looking for people with practical experience as well as academic ability. A work placement will allow youth to gain first hand work experience and develop technical skills and softer skills such as teamwork and interpersonal skills. These skills are believed to make youth more rounded-off and attractive to employers.

A work placement will allow youth to explore the working environment and work with people who have chosen particular careers. This kind of direct and specialist knowledge have often enabled youth to excel and positioned them beyond other candidates looking for a job. The current work placement period is between 4 and 18 months (in case of some apprenticeships).

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.

The Tourism and hospitality sector is a good base for first time work seekers as it provides for entry level jobs, while at the same time also for skills that are critical to ensure an excellence service culture. One of the challenges

faced by this sector is the poor work readiness of school leavers and inadequate linkages between institutional and workplace learning which then impacts on the employability of graduates.

By addressing these challenges, this sector will be enabled to increase both the volume of foreign tourists serviced and increase the direct tourism.

The Oil and Gas sector also face critical skills shortage in the Western Cape. These skills include: Boiler Maker; Drillers; Engineers; Fitting and turning; Semi-skilled workers for maintenance work; Technical staff; and Welders (including underwater welders and X-Ray coded welders).

13.3.2 Strategic Objective

Strategic Objective	To increase the number of appropriately skilled persons, by providing them access to work experience and/or training opportunities.
Objective statement	Decrease youth unemployment in the province by 5% over the next five years by increasing access to work and training opportunities. The scarce and critical skills required by Oil rig repair, Agri-processing and Tourism will be used as a guide for business to determine the required training and or placement opportunities to allow access practical experience.
Baseline	1 920 People trained through Skills Development Programmes implemented by the Department in propulsive economic or labour absorbing sectors.
Justification	National as well as Provincial imperatives require a skilled and capable workforce, able to sustain a resilient, growing and inclusive economy. Industries' demand for specific skills can only be met by tailored interventions that include skills programmes, workplace experience programmes as well as the importation of skills. The focus is on ensuring that workplaces are able to indicate their current shortages, suggest any anticipated shortages where possible, as well as indicate any obstacles that they experience in recruiting and retaining individuals with the relevant skills, and in implementing occupational readiness programmes intended to meet these skills requirements. The scarce and critical skills required by economic priority sectors will be used as a guide for business to determine the required training or placement opportunities to allow access to practical experience. Since the scarce and critical skills are demand-led, the prospects for successful training and placement in the identified sectors are increased.
Links	Strong links to national strategies such as NSDS III, provincial economic policies and local skills development ecologies.

13.3.3 Strategic Objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of Artisans Trade Tested	-	-	33	150	20	200	300
Value of funds leveraged	R1.175m	R76.7m	R30.598m	R45m	R1m	R5m	R10m

Funding leveraged is a factor of the economic environment and therefore conservative projections over the MTEF are provided.

13.3.4 Implementation Plan: Skills Programmes and Training

Training aims to support beneficiaries to access skills training that will progress beneficiaries through the pipeline of their studies within demand-led artisanal and occupational directed careers. The training will support the Game Changer's broad area of focus on artisan development and vocational and technical related skills in-college. The training will also address the gap between supply and demand in the province by ensuring the provision of scarce and critical skills that are in demand to enhance levels of employability and promote service excellence in the Project Khulisa priority and cross cutting sectors.

The skills interventions are focused on technical skills, softer skills and practical assimilated skills during the pipeline of their studies to increase access to people trained in artisanal, vocational and technical related skills.

A collaborative partnership approach has been envisaged to increase the number of people trained in vocational and technical related skills in the Western Cape in collaboration with DEDAT, the private sector, SETAs, TVETs and other relevant stakeholders.

The pipeline towards artisan and occupational development is key. The various focus areas below will allow for a multi entry and multi exit approach along the pipeline of skills from entry, intermediate to advanced skills level as well as on-the-job up-skilling, to assist with enhancing productivity of the workforce.

Bridging programmes will also focus on: Recognition of Prior Learning (RPL) and Mentorship in the work place.

Competency Based Modular Training (CBMT)

Demand-led sector-specific vocational and technical related training that support the mandate of Project Khulisa and cross-cutting sectors.

Training interventions for Artisan Development will target the Game Changer priority trades and vocational and technical related skills focusing on the three key sectors that include Ship Repair (in oil and gas), Agri-processing and Tourism, based on growth and labour absorption requirements in the Western Cape.

These trades will include, amongst others: Bakers, Chefs, Welders, Boilermakers, Fitters, Diesel fitters, Riggers, Pipefitters, Painters/Coating, Scaffolders and other technical related skills that are in demand.

The Bridging programme will focus on Recognition of Prior Learning (RPL) and Mentorship training that will allow candidates who have achieved specific levels of competence to be fast tracked along their chosen career paths and become trade test ready.

Mentorship training will be focused on theory and on-the-job workplace training to qualified artisans to become mentors to the new generation of artisans, allowing more workspaces to become a training space in the province.

The Competency Based Modular Training (CBMT) will provide artisanal candidates within priority trades with exposure to practical assimilated skills all linked to the various theory streams. This training aims to enhance the learner's employability and reduce the time required for work placement to become trade test ready.

Sector vocational and technical related skills training

Training interventions aimed at sector-based, demand-led vocational and technical related skills will target the unemployed and current workforce and focus on the three key sectors that include Ship Repair (in oil and gas), Agri-processing and Tourism, based on growth and labour absorption requirements in the Western Cape.

Tourism

Tourism offers great opportunities for entry level jobs, but skills development is critical to ensure an excellent service culture. For Tourism Human Resources Development, one of the key challenges faced by the industry is inadequate skill levels and poor work readiness on completion of the qualifications obtained from tertiary institutions. This is further compounded by inadequate linkages between institutional and workplace learning which then impacts on the employability of graduates.

The critical and scarce skills identified for the Western Cape are assistant chefs and professional cooks (confirmed by the private sector and aligned to the National CATHSSETA's Sector Skills Plan).

In 2016/17, unemployed youth will be trained in demand-led Tourism TVET skills training. These youth will also receive job-readiness training and access to work placement opportunities to enhance their employability.

The finalisation of the Western Cape Tourism Sector Skills Plan, in partnership with CATHSSETA, will further identify the scarce and critical skills for the Province.

South Africa has inconsistencies in service levels and this need to be addressed to ensure that we are competitive with the rest of the world. When tourists visit Cape Town and the Western Cape they should experience world-class service. We need to promote a culture of Service Excellence.

Specific actions could include developing a public campaign on friendliness towards tourists and visitors; and providing recognition for companies that score highly on service excellence, to be used as accreditation and provide quality assurance to customers.

For 2016/17, DEDAT will implement the 7-day CATHSSETA accredited Customer Care Programme to the current workforce.

ICT Skills

The ICT sector is listed as a Horizon 3 Project Khulisa priority sector for the Western Cape Government (WCG). In terms of the Provincial Strategic Goal 1 goals of growth and employment it offers significant youth employment opportunities in high growth areas of the economy.

A key ICT skills project that will continue to be supported is the Schools Software Development Skills Program. This programme involves up to 10 schools with a one year Java fundamentals program, collapsing into a three year official Java curriculum which the learner can pursue on exit. Key elements of the skills intervention includes: career awareness in ICT, completion of certified Java Fundamentals and Java Programming, practical and work readiness.

This ICT project is an intervention that shapes curricula and increases innovation in the National Department of Basic Education, in allowing industry based curricula and training to reside in schools, increasing the employability and qualifications of youth on exiting school.

The role in this project is that of advocacy to pilot curricula and imparts skills to teachers that would enable them to train relevant and required skills sets for ICT on youth exiting schools.

Agri-processing

Agriculture and Agri-processing is one of the most important sectors in the Western Cape, and involves all the different activities that link the entire value chain from the farm/forest/fishery to the consumer. This includes inputs, production, processing, marketing and distribution of agricultural, forestry and fishing products (Wesgro, 2014).

The Agri-processing vocational training will focus on the training of unemployed youth in critical and scarce skills required for the sector and related sectors. These youth will also receive job-readiness training and gain access to work placement opportunities to enhance their employability.

The training of artisanal candidates are escalated between 2015/16 and the MTEF, while training of semi-skilled workers are scaled down to accommodate a different mix of training opportunities and placement.

13.3.5 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of Artisanal candidates trained	605	-	-	150	250	600	600
Number of semi-skilled people trained	-	-	-	1 920	310	400	500

13.3.5 Quarterly targets for 2016/17

Programme performance indicator		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Skills Programmes and Projects							
1.1	Number of Artisanal candidates trained	Quarterly	250	20	90	140	-
1.2	Number of semi-skilled people trained	Quarterly	310	20	140	50	100

13.3.6 Implementation Plan

Work Placement Programme

The National Department of Higher Education is focussed on refining Workplace-Based Learning Programme Regulations, with the purpose of making it easier for SETAs to fund the workplace-based learning. The introduction of the new Grant Regulations on 1 April 2013 has seen an increased focus by SETAs on workplace-based learning programmes.

Learners exiting DEDAT skills intervention programmes will secure entry into required work experience to complete their qualifications, while others will access the Artisan Development Programme.

Work placement ranges between 4 and 18 months and is supported by stipends to the learners across the various trades, occupations offered to unemployed youth in mainly (not exclusively), Agri processing, Tourism and Oil and Gas, followed by the tier 2 sectors (ICT and BPO) of Project Khulisa.

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 focussed on scarce and critical skills, which are specific to sector skills demands and cross cutting sector skills.

The various Sector Skills Plans, across mainly Project Khulisa sectors, have generated extensive areas requiring work placement and based on demand some of these could be covered in 2016/17:

- Financial (creditors' clerks, etc.);
- Management skills (store, marketing, financial);
- Supply chain (warehouse management, logistics, inventory);
- Retail technical skills (butchery/ blockman, bakery/confectioner, beauty sales, food preparation, store designer; and
- Call centre operator.

The Agri-Processing sector in particular has identified the following critical and scarce skills:

- Professionals;
- Technicians and Trade workers;
- Clerical and administrative workers;
- Sales workers; and
- Machinery operators and drivers.

In 2016/17 the placement interventions for Artisan Development will target the Game Changer priority trades and vocational and technical related skills focusing on the three key sectors that include Ship Repair (in oil and gas), Agri-processing and Tourism, based on growth and labour absorption requirements in the Western Cape.

Based on demand and supply, the placement of trades will include, amongst others: Bakers, Chefs, Welders, Boilermakers, Fitters, Diesel fitters, Riggers, Pipefitters, Painters/Coating, Scaffolders and technical related skills are in demand.

Placement of learners from the Schools Software Development Skills Program on exit of their theory will be placed in mainly ICT firms to gain world of work experience.

The work placement sub-programme aims to gradually meet the demand for skilled labour by providing a matched labour supply, across various regions of the Western Cape, for example:

The Cape Winelands District economy has a strong agriculture base, services industries and tourism. The placements mirror these latter sectors.

The Overberg has a strong manufacturing, agri-processing, tourism, financial and business service sectors.

The key areas of Work Place experiential learning are:

- Identifying and matching companies and learners for work placement, based on demand
- Learning Agreement
- Monitoring and Evaluation
- Assessment
- Certification (in case of Artisans)

The building of greater complementarity between general and vocationally-oriented education occurs through reforms that combine schooling with apprenticeship and work experience. School leavers often struggle to find employment. Steps to build bridges between school and work are part of the solution to this problem.

13.3.7 Performance indicators and annual targets for 2016/17

Programme performance indicators (Output indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of artisanal candidates placed in host companies	-	202	187	150	240	400	400
Number of semi-skilled workers placed in host companies	-	-	-	1 100	940	1 500	1 500

13.3.8 Quarterly targets for 2016/17

Programme performance		Reporting period	Annual target 2016/17	Quarterly targets			
				1st	2nd	3rd	4th
Sub-programme: Skills Programmes and Projects							
1.1	Number of artisanal candidates placed in host companies	Quarterly	240	40	80	80	40
1.2	Number of semi-skilled workers placed in host companies	Quarterly	940	580	250	110	

13.3.9 Risk Management

Strategic Objective: To increase the number of appropriately skilled persons, by providing them access to work experience and/or training opportunities.

Risk Statement	Risk Mitigation Strategies
Lack of support and uptake from employers to absorb the unemployed due to negative perceptions on the quality of training and associated costs and lack of work readiness which will impact on the employability of the youth.	<ul style="list-style-type: none"> • Increase stipends to below industry wage rates; • Incentivise skills training initiatives for employability; • Facilitate engagements in mainly labour absorbing clusters and local municipalities to increase awareness of quality, relevance and demand for youth exiting skills and work experience projects; • Intensify Strategic engagements are held with the Sector Development Agencies, Game Changer Forums, Tourism HRD forums, business chambers, Wesgro, SETA Cluster and FET CEO Forum participation, Transversal Technical Working Group for Skills; • The aim is to gather market intelligence on the present and future labour demands with the view to facilitate job opportunities for the appropriate labour.
Drop-out rate of learners on the programme increases due to stipend rate below minimum wage and mismatch of learner to company which could lead to targets not being met and learners possibly migrating to other more lucrative work experience programmes.	<ul style="list-style-type: none"> • Ensure good recruitment and selection processes; • Conduct regular site visits; • Ensure a demand-led process is followed; • Increase the stipend slightly; • Lobby with business (host companies) and relevant stakeholders, who are currently not co-funding stipends to do so; • Continuous lobbying with businesses to maintain mentorship and inform learners of career development to retain learners during placement period.
Insufficient approved workplaces to meet quantity of artisans to be placed.	National Artisan Moderating Body together with SETAs will assist decreasing red tape to increase approved workplaces to place to be in same line as 2nd risk.
Insufficient mentors to match quantity of artisans to be placed per company.	Recognition of prior learning and coaching and mentorship training will be increased to increase fast track the pool of mentors in the workplace. Increased mentors with soft skills as well as technical skills in the workplace.
Insufficient implementation of retention strategies for skills acquisition to access trade tests.	Increase site visits and checking of learner log books around skills to be in line with the last risk mitigating any risks detected early. Facilitate access to GAP training to better prepare for trade tests. Sponsor the trade test fee for artisan learners.

13.4 Sub-programme 7.3: Skills Incentives

This sub-programme, given the critical need of finding employment opportunities for youth, will be tasked to finding work places where youth can be hosted to gain work experience. This sub programme will also look for opportunities for funding skills development initiatives.

13.4.1 Strategic Objective

Strategic Objective	To attract and access skills incentives for job opportunities
Objective statement	To increase skills incentives funding for job creation by R30 million over the MTEF
Baseline	Not established
Justification	A number of stakeholders contribute to the skills development pipeline. However the efforts are not fully aligned, resulting in a discontinuous pipeline of efforts as it in the main relate to accessing skills funding.
Links	Alignment of stakeholder planning, implementation and reporting together with concomitant resource allocations.

13.4.2 Strategic objective annual targets for 2016/17

Strategic Objective (Outcome Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Value of funds leveraged						R10m	R20m

13.4.3 Performance indicators and annual targets for 2016/17

Programme performance indicator (Output Indicator)	Audited/Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Number of Collaborative agreements signed			-		2	6	8

13.4.4 Quarterly targets for 2016/17

Programme performance indicator	Reporting period	Annual target 2016/17	Quarterly targets				
			1st	2nd	3rd	4th	
Sub-programme: Skills Incentives							
1.1	Number of Collaborative agreements signed	Quarterly				1	1

13.4.5 Implementation plan

The skills incentives unit will explore opportunities to align fundraising opportunities and skills development incentives with the strategic priorities of the Department of Economic Development and Tourism and the provincial plans for skills development. This unit will develop proposals (aimed at achieving synergy and partnerships) that would aim to strengthen targeted skills interventions, work placement and employment in selected economic sectors.

13.4.6 Risk Management

Strategic Objective: To attract and access skills incentives for job opportunities.	
Risk Statement	Risk Mitigation Strategies
Inability to attract resources for skills initiatives and work placement.	Promote collaborative skills development interventions linked to amongst others conglomerates; international parties; municipalities; and Business Chambers.

13.5 Reconciling performance targets with the Budget and MTEF

13.5.1 Expenditure estimates

Sub-programme		Audited	Audited	Audited	Main ap- propria- tion	Adjusted ap- propria- tion	Revised estimate	Medium term expenditure		
R'000		2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
1.	Provincial Skills and Partnership	3 805	12 350	5 637	8 074	8 830	8 830	10 488	11 051	11 957
2.	Skills Programmes and Projects	20 870	20 429	32 752	39 799	43 220	43 220	50 505	50 450	58 004
3.	Skills Incentives	873	1 239	1 288	1 032	355	355	2 249	738	873
4.	Management: Skills Development	1 082	2 140	3 338	2 385	2 140	2 140			
Total Payments		26 630	36 158	43 015	51 290	54 545	54 545	63 242	62 239	70 834
ECONOMIC CLASSIFICATION										
Current payments		13 937	20 991	25 454	33 414	41 854	41 853	36 330	34 606	37 154
Compensation of employees		4 242	7 386	8 363	10 355	10 355	10 165	12 114	10 073	10 626
Goods and services		9 695	13 605	17 091	23 059	31 499	31 688	24 216	24 533	26 528
Interest and rent on land										
Transfers and subsidies to		12 665	14 939	17 483	17 800	12 615	12 615	26 833	27 390	33 332
Provinces and municipalities										
Departmental agencies and accounts			2 813							
Universities and technikons				1 460						
Foreign governments and international organisations										
Public corporations and private enterprises		300	626							
Non-profit institutions		12 365	11 483	7 871	7 000	1 815	1 815	1 950	2 000	2 000
Households			17	8 152	10 800	10 800	10 800	24 883	25 390	31 332
Payments for capital assets		28	228	75	76	76	77	79	243	348
Buildings and other fixed structures										
Machinery and equipment		28	228	72	76	76	75	79	243	348
Heritage assets										
Specialised military assets										
Biological assets										
Land and subsoil assets										
Software and other intangible assets				3			2			
Payments for financial assets				3						
Total economic classification		26 630	36 158	43 015	51 290	54 545	54 545	63 242	62 239	70 834

PART C: LINKS TO OTHER PLANS

14. LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

Not applicable

15. CONDITIONAL GRANTS

Not applicable

16. PUBLIC ENTITIES

16.1 The Western Cape Destination Marketing, Investment and Trade Promotion Agency (WESGRO)

Wesgro's (a schedule 3 public entity) legislative mandate as provided for in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996) (as amended) include:

- To furnish tourism, trade and investment marketing assistance and expert and specialised advice, information and guidance to any business, company or association of persons who so request it from the Agency or would assist the Agency in achieving its objects.
- To act as the tourism, trade and investment promotion agent on behalf of the Province and to facilitate co-ordinated destination marketing activities for the Western Cape.
- To develop, implement and promote a provincial tourism, trade and marketing strategy and implement any project that realises growth in the economy of the Western Cape.

Evaluation of the public entity and its performance:

- Representation on the Board as Ex-Officio Member
- A detailed performance report received from Wesgro on a quarterly basis
- Funding transferred in tranches, based on evaluation of quarterly reports
- Quarterly meetings between the Department and Wesgro to discuss performance and to ensure alignment.

16.2 The Saldanha Bay IDZ Licencing Company (SBIDZ LiCo)

The SBIDZ LiCo's legislative mandate, as provided for in the Saldanha Bay Industrial Development Zone Licencing Company Bill, Gazetted 7 January 2016:

- Promoting, managing and marketing the SBIDZ; To act as the tourism, trade and investment promotion agent on behalf of the Province and to facilitate co-ordinated destination marketing activities for the Western Cape;
- Providing internal infrastructure in the SBIDZ area;
- Facilitating the ease of doing business in the SBIDZ area; and
- Acquiring and leasing land incidental to the Company's business.

Evaluation of the public entity and its performance:

- A detailed performance report received from SBIDZ LiCo on a quarterly basis;
- Funding transferred in tranches, based on evaluation of quarterly reports and progress on defined areas of work;
- Departmental representation on the SBIDZ LiCo Executive Committee (weekly meetings); and
- Quarterly meetings between the Department and Wesgro to discuss performance and to ensure alignment.

17. PUBLIC-PRIVATE PARTNERSHIPS

Not applicable

18. TRANSVERSAL PROJECTS

Programme	Project	Project Description	Stakeholder	Role of Stakeholder	Budget Contribution R'000	Expected Outcome
IEDS	District collaborations on PSP deliverables	The Regional and Local Economic Development unit will provide support to priority geographical areas, PSG and/or PSP programmes, through district collaboration and utilising existing platforms and structures.	Municipalities; national and provincial role-players; local and private sector.	To provide input that informs planning and action towards the delivery of PSP objectives of the Province.	R0	To improve the business environment in non-metro areas through effective LED co-ordination that supports growth of the regional economy.
IEDS	Procurement Promotion	The Enterprise Development unit will facilitate the process of registration on the Central Supplier Database and the Western Cape Supplier Database. These workshops may also include other supplier development initiatives. One intervention is planned per quarter in partnership with relevant stakeholders. The objective of these sessions is to create a platform for suppliers, vendors and service providers to access credible and reliable information on Provincial Government procurement processes and practices.	Provincial Treasury Ariba SARS DTI Other departments – national and provincial	Addressing the governance issues. Creating a platform for attendees to register or update their details on the Western Cape Supplier Database as well as the Central Supplier Development. Creating a platform for attendees to register, update or resolve outstanding SARS issues or those of registration.	R50	Increased number of service providers registered on the Central Supplier Database as well as the Western Cape Supplier Database.
	Procurement Policy	The development of an Economic Procurement policy and strategy.	DEDAT Provincial Treasury Department of Environmental Affairs and Development Planning Department of	Facilitate the development of the Economic Procurement Policy and Strategy.	R500	Development of an Economic Procurement Policy and strategy.

Programme	Project	Project Description	Stakeholder	Role of Stakeholder	Budget Contribution R'000	Expected Outcome
IEDS	Mark of Good Public Service	A proven instrument for municipalities and other government organisations to improve public services to businesses. It contributes to lower costs for government and business, and to increased satisfaction amongst businesses where applied, as well as to improving the business climate, which in turn has a positive effect on job creation and prosperity.	Municipalities in the Western Cape (to be identified)	To participate in the project and make human resources available for its implementation.	R2 500	Better, less onerous legislation; improved business environment and confidence; higher economic growth rates and employment in the municipal environment; and an improved ranking on the Ease of Doing Business Index (to be established).
	Project Simplify	An intervention to address red tape through better regulation, process optimization and/or better communication, by employing any one of a number of methods: Business process improvement, Regulatory Impact Assessment (RIA), Standard Cost Modelling and Compliance Reviews.	Provincial and national government departments (and their agencies, public entities and regulators) that deliver business-facing services in the Western Cape (to be identified).		R3 000	Better, less onerous legislation; improved business environment and confidence; higher economic growth rates and employment in the provincial and national government environment; and an improved ranking on the Ease of Doing Business Index (to be established).

Programme	Project	Project Description	Stakeholder	Role of Stakeholder	Budget Contribution R'000	Expected Outcome
Economic Planning	Design, Innovation and Creativity Initiative	The support of design as a major competitive driver of the Western Cape economy.	CCDI	Driver and implementer of Design Strategy and related projects.	Tbc	Contribution of R2.1bn towards GDP and 1 097 jobs by Year 5. Contribution of R13bn towards GDP and 14 705 jobs in Year 25.
			Green Cape	Driver and implementer of Innovation in Green Projects.		
			EDP	Co-ordinator of Western Cape Innovation Systems.		
			Cape Town Partnership: Creative Cape Town.	Strategic inputs, project direction, provision of linkages to related and supporting activities.		
			CPUT	Co-funder and partner in Design and Innovation Projects for CHEC: Design Park.		
			Department of the Premier	Major stakeholder in Design and Innovation Projects.		
			Department of Transport and Public Works	Major stakeholder in specific projects in design implementation.		

Programme	Project	Project Description	Stakeholder	Role of Stakeholder	Budget Contribution R'000	Expected Outcome
	Cape Health Technology Hub	A health technology park to collocate related organisations which have bio-tech and health technologies as core focus.	Department of Science and Technology.	Co-funder and co-manager of project	R1 500	Contribution of R9.5bn to GDP and 13 000 jobs by Year 10.
			Wesgro	Project management and pre-implementation of phase 1.		
			National Department of Science and Technology	Co-funder and partner of the project.		
			Technology and Innovation Agency	Project expertise.		
			Department of Transport and Public Works	Provider of WCG land and overall co-ordinator of TRUP.		
			Department of Health	Support with regard to land provision and beneficiary of products and services arising from Park.		
			City of Cape Town	Provider of CCT land for the project.		
	Cape Town International Convention Centre	Expansion of current CTICC facility.	City of Cape Town	Co-funder and shareholder of project.	R230 000	Contribution of R531m towards GDP per annum and 3 055 jobs by Year 8.
			Convenco	Co-funder, manager and implementer of project.		

Programme	Project	Project Description	Stakeholder	Role of Stakeholder	Budget Contribution R'000	Expected Outcome
	Air Access Initiative	Improve air access into Cape Town, and targeting Africa specifically.	Wesgro	Project management and implementation.	R1 000	Contribution of R392m towards GDP per annum and 3 950 jobs for one specific route by Year 6.
			Tourism Sector Chief Directorate	Strategic inputs, project direction, provision of linkages to related and supporting activities.	0	
			WCG Department of Agriculture	Strategic inputs, project direction, provision of linkages to related and supporting activities.	0	
			ACSA	Strategic inputs, project direction, provision of linkages to related and supporting activities.	R300 (In-kind contribution value)	
			CoCT	Co-funder	R1 000	
	Design: Better Living Challenge	To promote the development of incremental home improvement solutions.	WCG (DEDAT, DOHS, DEADP, DOLG)	Strategic input and oversight into the implementation of the project. Linked to Design and Innovation work in DEDAT.	R800 000	
			Municipalities	Involvement of municipalities to increase, alternative housing solutions to ultimate benefit municipality.	n/a	

Programme	Project	Project Description	Stakeholder	Role of Stakeholder	Budget Contribution R'000	Expected Outcome
Economic Planning	Saldanha Industrial Development Zone	An oil and gas and marine repair engineering and logistics services complex in Saldanha Bay.	Wesgro	Parent public entity of Licencing Company and FDI promoter.	R400 000 (3 year budget)	Contribution of R11bn per annum to GDP and 7 800 jobs by Year 10.
			SBIDZ LiCo	Permit holder of the designated IDZ.		
			SB Municipality and WC District Municipality	Strategic Input into the project and provider of bulk services.		
			IDC	Lessor of part of the IDZ land and potential funder of incoming investors.		
			The dti	Licencing authority and funder of capital expenditure for project.		
			Department of Transport and Public Works	Provider of road infrastructure.		
			Transnet National Ports Authority	Owner of part of the IDZ and major funder to relevant port infrastructure.		
	West Coast Industrial Plan	Planning exercise to look at desired future state of industrial development as well as determining resource demand.	Department of Environmental Affairs and Development Planning	Overall Regional Planning processes and spatial planning.	Tbc	Tbc
			Department of Transport and Public Works	Transport planning and provision of roads.		
			Department of Local Government	Municipal support, planning support.		
			Saldanha Bay Municipality and District Municipality	Spatial planning, land use planning, provision of municipal services.		

Programme	Project	Project Description	Stakeholder	Role of Stakeholder	Budget Contribution R'000	Expected Outcome
	Green Economy: Smart Grids/ Rooftop PV	To address the barriers of smart grid uptake and embedded generation for municipalities.	WCG (DEADP, DEDAT, DOLG), City of Cape Town Municipalities	Strategic input and oversight into the implementation of the project. Municipalities are "owner" of the technology.	R1 400 (Tbc - City of Cape Town)	Improved municipal electricity service delivery and stimulation to the local manufacturing and related industries.
	Green Economy: Importation of natural gas	To address market failures across the gas value chain.	City of Cape Town National Government (DoE) DTI Atlantis SEZ	Provide input and guidance in accordance to mandate and expertise.	R0	DoE/Treasury approval of the West Coast importation project. Providing the basis for the Western Cape's secure energy future.
	Green Economy: WISP	To facilitate synergies between companies in order to identify and realise business opportunities from unused or residual resources.	Western Cape Government Departments (DEDAT, DoA, DoTP, DEA) COCT Business associations NCPC Gauteng, KZN provincial government	Strategic input and oversight into the implementation of the project. Support to roll out of a national and provincial level roll outs across the province (NCPC, KZN and Gauteng).	Possible dti funding – to be confirmed	More resource efficient (and therefore profitable) businesses in the Western Cape (energy, water, material savings). Landfill diversion and carbon emission savings.
	Green Economy: 110% Green: Brand Building Implementation of Energy Game Changer Communication plan.	Build the green brand of the province and catalyse practical action from Western Cape based organisations. The mobilization of business, households and government to implement energy efficiency and small scale embedded generation (SSEG).	Private sector Academics Local entities NGOs	All players in the Green Economy (industry, province, academia) is called upon to expand the footprint of the Green Economy.	R1 250 (DotP)	Promoting and growing the green economy in the Province through networking and brand building.
	Green Economy: Water as a Constraint to Economic Development (GreenCape)	This project aims to provide an understanding of the extent to which the availability of affordable water will constrain future economic development. It seeks to develop a methodology to enable future economic development by supporting wise decision making in constrained catchments, initially focussing on Saldanha.	DEDAT, West Coast District Municipality, Saldanha Municipality, COCT, Water Research Commission (WRC), DOWS, DEA&DP, DEA, NCPC, Industry organisations.	Strategic input and oversight into the implementation of the project.	R582 (WRC)	Efficient use of water for economic development specifically in the Saldanha area [SD1].

Programme	Project	Project Description	Stakeholder	Role of Stakeholder	Budget Contribution R'000	Expected Outcome
	Green Economy: Clustering Activities	Green economy clustering activities aim to bridge the gap in information and coordinate the efforts of industry, provincial government and local government in realising economic opportunities in the green economy.	GreenCape DEDAT City of Cape Town	The primary input is the GreenCape brand, Intellectual capacity and resources from DED&T, City, donors etc.	R1 600 DTI R1 000 DOA (Western Cape)	Programs identified for unlocking and unblocking Jobs, Growth and Skills.
	Green Economy: Atlantis SEZ	The development of a green manufacturing Special Economic Zone in Atlantis, with a view to supporting investment in manufacturing and job growth.	GreenCape Legal Services Section, DotP Provincial Treasury City of Cape Town Department of Trade & Industry	Input and expertise in the development of the project.	R8 000	Creation of up to 3 000 jobs and investment of R2bn in manufacturing capacity.
	Green Economy: Genius of Place	Based on biomimicry principles, a pilot project involving waste prototypes in the Langrug community.	Western Cape Government Departments (DEADP, DEDAT) To be implemented further by DEA&DP in 16/17. Stellenbosch Municipality Langrug Community	Developer, funder. Strategic input and oversight into the implementation of the project. Input and co-ordination as relevant. Co-implementer of project, maintenance of project and ultimate owner and beneficiary.	R0	Business opportunities in area of waste. Employment opportunities. Skills Development. Community ownership of waste and water prototypes.

Programme	Project	Project Description	Stakeholder	Role of Stakeholder	Budget Contribution R'000	Expected Outcome
	<p>Broadband Stream 2:</p> <p>Connected Leadership</p> <p>WCG's Leadership role in the Broadband environment, with particular emphasis on stakeholder engagement, dialogue and coordination, policy and advocacy, research, M&E.</p>	<p>Broadband Foundation:</p> <p>A collaborative organisation to leverage funding and opportunities for synergy between Government Private Sector and Civil Society.</p>	Neotel	Founding Partner.		Contribution of R11bn per annum to GDP and 7 800 jobs by Year 10.
			Cel (DotP) & WCED	Contributor and Oversight. Accountable for E-education projects.		
	<p>Connected Citizens</p> <p>The objective of the connecting citizens theme is to drive access, readiness and usage in the province through the implementation of the Western Cape Broadband Initiative, specifically targeted at the general citizen user population.</p>	<p>Interactive Community Access Node (ICAN)</p> <p>A proof-of-concept and expansion model for a physical facility containing various focused interactive zones in Elsies River and the expansion model for further roll-out.</p>	<p>National Department of Communications</p> <p>City of Cape Town</p> <p>Department of Cultural Affairs and Sport</p> <p>Centre of e-Innovation</p> <p>FET</p> <p>UWC</p>	Strategic inputs, project direction, provision of linkages to related and supporting activities.	Tbc	

Programme	Project	Project Description	Stakeholder	Role of Stakeholder	Budget Contribution R'000	Expected Outcome
		E-Skills Platform An internet based platform to improve access to skills information and provide a medium for improved communication for Western Cape stakeholders.	CHEC	Strategic inputs and guidance, future beneficiary and contributor towards content.	N/A	
			SETA cluster			
			Cel & WCED			
			TVETs & HEIs			
		Public Wi-Fi Public access wi-fi for citizens linked to government buildings.	Cel	Alignment in Stream 1.		
			WCG Line Departments	Site Owners.	N/A	
Neotel	Project co-funder.					
Connected Business It focusses on (1) supporting business uptake and usage as the client/end-user of technology and broadband.	Bandwidth Barn Khayelitsha - CITI A community-facility to assist ICT entrepreneurs.	City of Cape Town	Owner of the facility.	Tbc		
		CITI	Implementor of the project.			
Skills Development and Innovation	Skills Game Changer	Sufficient, appropriately qualified technical and vocational skilled people to meet the needs of prioritised economic growth areas in the Western Cape.	National Government and Western Cape Government Departments; TVET Colleges, Business and Municipalities.	Provide planning, implementation and resource support to address skills shortages and employment opportunities.	Total Provisional Transversal Budget for the Technical and Vocational Skills Game Changer Levers is R306.7m, of which DHET is the largest contributor.	Increase in number of quality TVET learners available for Western Cape priority economic growth occupation. Enhanced throughput of learners in workplace based TVET System. Qualified TVET learners are employed/self-employed.

ANNEXURE D: CHANGES BETWEEN STRATEGIC PLAN 2015 – 2020 AND ANNUAL PERFORMANCE PLAN 2016/17

	Strategic Plan 2015 – 2020	APP 2016/17	Programme Comment
PROGRAMME 1: ADMINISTRATION			
Sub Programme: Corporate Services			
Communications			
Strategic Objective	None	To adequately inform and empower stakeholders of the Department by providing access and connectivity to departmental activities through communication activities which are aligned to Western Cape Government Communication strategic imperatives.	The Communication Unit's strategic objective was not included in the Strategic Plan. The addition into the APP addresses this omission.
Objective Statement	None	To develop 5 communication plans by 2020.	The Communication Unit's objective statement was not included in the Strategic Plan. The addition into the APP addresses this omission.
Departmental Performance Monitoring			
Strategic Objective	Outcomes based monitoring, evaluation and measurement of strategies; programmes and projects are conducted to determine the effectiveness and impact of economic development policies and priorities.	Outcomes based monitoring, evaluation and measurement of the Department's strategies; programmes and projects are conducted to determine the effectiveness and impact of economic development policies and priorities.	Strategic objective in current APP slightly more specific.

	Strategic Plan 2015 – 2020	APP 2016/17	Programme Comment
PROGRAMME 2 – INTEGRATED ECONOMIC DEVELOPMENT SERVICES			
Sub Programme 2.1: Enterprise Development			
Strategic Objective	To contribute to the sustainability and growth of small businesses.	To increase the sustainability and growth of SMMEs.	There are no substantive changes between the two strategic objectives.
Objective Statement	To expand 550 small businesses through financial and non-financial support measures by 2020.	To facilitate support to 500 SMMEs through access to entrepreneurial promotion and business support interventions by 2020.	The change in emphasis in terms of the Ease of Doing Business will result in a more focused approach in supporting businesses. These initiatives are aligned to Project Khulisa.
Sub Programme 2.2. Regional and Local Economic Development			
Objective Statement	To ensure that the LED Maturity Index Average increases by 6% annually, with the provision of municipal assessments and strategic capacity building support and, to maintain a Coordination Satisfaction Index of 70% among stakeholders.	To facilitate the improvement in 50 local government business-facing services in terms of procedures, legislation and or convenience by 2020.	The LED Maturity Index project will not continue in 2016/17, and the Ease of Doing Business Priorities replace this.

	Strategic Plan 2015 – 2020	APP 2016/17	Programme Comment
PROGRAMME 3 – TRADE AND SECTOR DEVELOPMENT			
Sub Programme 3.1. Trade and Investment promotion			
Strategic Objective	The stimulation, facilitation and increase of economic growth and opportunities through exports and investment promotion.	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its legislative and strategic mandate for trade and investment promotion.	We have revised the Strategic Objective and the Objective Statement to reflect the Department's role in relation to its public entity, being strategic leadership and oversight of implementation in terms of the transfer payment.
Objective Statement	To facilitate employment, effective global participation and economic growth through attracting R8bn and to facilitate 6 000 jobs by 2020.	To provide strategic leadership and the necessary resources which will enable the public entity to recruit and facilitate between R4.3bn and R9.3bn in investment and between 2 970 and 6 240 jobs into the Western Cape by 31 March 2020.	We have revised the Strategic Objective and the Objective Statement to reflect the Department's role in relation to its public entity, being strategic leadership and oversight of implementation in terms of the transfer payment.
Sub Programme 3.2. Sector Development			
Strategic Objective	To develop and grow productive and employment-creating industries.	None	Project Khulisa prioritised sector focus.
Objective Statement	To develop and grow GVA of prioritised industries by R10bn by 2020	None	Project Khulisa prioritised sector focus.
Strategic Objective	None	To provide strategic leadership and the necessary resource to deliver on the key initiatives needed to grow the oil and gas sector.	Project Khulisa prioritised sector focus.
Objective Statement	None	(Oil and Gas) To grow GVA from R1bn to R3bn and create 60 000 additional formal jobs within the Western Cape's oil and gas sector.	Project Khulisa prioritised sector focus.
Strategic Objective	None	(Agri-processing) To provide strategic leadership and the necessary resources to deliver on the key initiatives needed to grow the Agri-processing sector.	Project Khulisa prioritised sector focus.
Objective Statement	None	(Agri-processing) To grow GVA from R12bn to R26bn and to create 100 000 additional formal jobs within the Western Cape's Agri-processing sector.	Project Khulisa prioritised sector focus.
Strategic Objective	None	(Support to sector Bodies) To provide support to sector bodies that will allow for leveraging of funds to develop and support the respective sectors.	Revised to reflect the Department's role in relation to the sector bodies in terms of oversight on the transfer payment provided for operating expenses (cluster model).
Objective Statement	None	(Support to sector bodies) To enable sector bodies to leverage funding for sectoral development, which will lead to further stimulation of the regional economy by 2018.	Revised to reflect the Department's role in relation to the sector bodies in terms of oversight on the transfer payment provided for operating expenses (cluster model).

	Strategic Plan 2015 – 2020	APP 2016/17	Programme Comment
PROGRAMME 4 – BUSINESS REGULATION AND GOVERNANCE			
Sub Programme 4.1 Regulation Services			
Strategic Objective	An effective provincial trading environment which supports foreign direct investment through the effective protection of brand holder rights by way of implementing counterfeit goods operations with stakeholders and the effective finalisation of business licence appeals.	None	The OCP has re-prioritised its focus areas to the issues of consumer education and consumer redress as provided for in the Consumer protection Act, 2008. As such this area was amended and Regulation Services is no longer a sub-programme. In this regard it must be noted that the issue of counterfeit goods operations was removed completely while the business licence appeal matter was transferred to the Consumer Protection sub-programme.
Objective Statement	To ensure that a total of 100 joint operations are conducted over the next 5 years. To ensure that 6 business licence appeals are concluded so that business growth is supported where justified.	None	
Sub Programme 4.2 Consumer Protection			
Strategic Objective	To provide an effective and efficient consumer protection service within the province which is aligned to the objectives and functions prescribed by provincial and national consumer protection legislation.	To provide an effective and efficient consumer protection service within the province which is aligned to the objectives and functions prescribed by provincial and national consumer protection legislation. An effective trading environment which supports the effective finalization of business licence appeals.	The performance related targets with regards to business licence appeals which were contained in the sub-programme Regulation Services has been shifted to sub-programme Consumer Protection.
Objective Statement	To ensure that the WCG Provincial Strategic Objective of making the Western Cape a destination of choice in which to do business is achieved through the provision of an effective complaints resolution service, ensuring that a minimum of 20 000 complaints are dealt with over five years, resulting in a financial saving to consumers of at least R15 million.	To ensure that the WCG Provincial Strategic Objective of making the Western Cape a destination of choice in which to do business is achieved through the provision of an effective complaints resolution service, ensuring that a minimum of 20 000 complaints are dealt with over five years, resulting in a financial saving to consumers of at least R15 million. To ensure that 4 business licence appeals are finalized so that business growth occurs where justified.	

	Strategic Plan 2015 – 2020	APP 2016/17	Programme Comment
PROGRAMME 4 – BUSINESS REGULATION AND GOVERNANCE			
Sub Programme 4.3. Liquor Regulation			
Strategic Objective	To exercise an oversight role over the Western Cape Liquor Authority.	None	In terms of a Resolution by the Cabinet of the Western Cape Provincial Government the oversight responsibility for the WCLA will be transferred from DEDAT to DOCS. As such the WCLA does not feature in the APP of DEDAT but will be reflected in the DOCS APP.
Objective Statement	To ensure that the Western Cape Liquor Authority exercises its mandatory role and functions as detailed in the Western Cape Liquor Act, 2008, by increasing the number of licences granted in the province by a minimum of 10% over the five-year period.		

	Strategic Plan 2015 – 2020	APP 2016/17	Programme Comment
PROGRAMME 5 – ECONOMIC PLANNING			
The two sub-programmes, Knowledge Management and Departmental Performance Monitoring, moved to Programme 1 under Sub-programme Corporate Services			
Sub Programme 5.2 Research and Development			
Strategic Objective	To conduct and facilitate economic research and analysis to support economic strategy and policy development within the framework described by Project Khulisa.	To conduct and facilitate economic research and analysis to support economic strategy and policy development.	Project Khulisa extends only to the prioritised sectors. Research will support PSG1 and activities that may extend beyond PSG1.
Sub-Programme Economic Development Partnership			
Strategic Objective	To promote economic development collaboration through effective partnership of regional economic players.	None	The activities for Sub-programme 5.6: Economic Development Partnership will be incorporated into Sub-programme 5.3: Knowledge Management.
Objective Statement	To promote economic development collaboration through effective partnership of regional economic players through resource allocation to the Western Cape Economic Development Partnership.	None	

	Strategic Plan 2015 – 2020	APP 2016/17	Programme Comment
PROGRAMME 5 – ECONOMIC PLANNING			
Sub Programme 5.6 Enabling Growth Infrastructure and Initiatives			
Strategic Objective	None	Grow and develop the provincial economy through the development of catalytic interventions and economic drivers.	We have revised the Strategic Objective and the Objective Statement in line with the revised budget structure.
Objective Statement	None	To facilitate R4.65bn billion investment into catalytic interventions and initiatives.	
Sub-Programme 5.7 Broadband for the Economy			
Strategic Objective	None	Grow and develop the provincial economy through the support of broadband usage, infrastructure and readiness by businesses and citizens to stimulate the broadband uptake in order to improve competitiveness.	We have revised the Strategic Objective and the Objective Statement in line with the revised budget structure.
Objective Statement	None	To support the usage, readiness and accessibility of broadband to increase broadband uptake to 70% in the Western Cape.	
Sub-Programme 5.8 Green Economy			
Strategic Objective	None	To facilitate green economy opportunities that enhances the competitiveness of the region and stimulates business growth and investment.	We have revised the Strategic Objective and the Objective Statement in line with the revised budget structure.
Objective Statement	None	To position the Western Cape as a leading Green Economic Hub of the continent through attracting and facilitating R1.35bn green investment by 2020 into the province.	

	Strategic Plan 2015 – 2020	APP 2016/17	Programme Comment
PROGRAMME 6 – TOURISM, ARTS AND ENTERTAINMENT			
Sub Programme 6.2. Tourism Growth and Development			
Strategic Objective	To co-deliver targeted actions designed to improve destination accessibility and attractiveness.	To boost the attractiveness of the region through competitive product offerings and to improve accessibility to Cape Town and the regions.	Project Khulisa prioritised sector focus.
Objective Statement	To facilitate R50m investment in tourism infrastructure and niche market support.	To facilitate tourism niche markets, products and infrastructure support in the destination.	Project Khulisa prioritised sector focus.
Sub Programme 6.3. Tourism Sector Transformation			
Strategic Objective	None	To register and regulate the tourist guiding sub-sector.	Post the Department's restructure, this area will only be for the regulation of the tourist guiding industry.
Objective Statement		To ensure an effective and efficient tourist guide regulatory service.	Post the Department's restructure, this area will only be for the regulation of the tourist guiding industry.
Sub Programme 6.4. Tourism Destination Marketing			
Strategic Objective	To improve brand awareness and ensure integrated marketing in key market segments and prioritised niches.	To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its legislative and strategic mandate for trade and investment promotion.	We have revised the Strategic Objective and the Objective Statement to reflect the Department's role in relation to its public entity, being strategic leadership and oversight of implementation in terms of the transfer payment.
Objective Statement	To achieve an increase in tourism GVA of R10bn (from R17bn to R27bn) through 7.5 million foreign visitors.	Total estimated economic value of tourism destination marketing initiatives supported by 31 March 2020.	We have revised the Strategic Objective and the Objective Statement to reflect the Department's role in relation to its public entity, being strategic leadership and oversight of implementation in terms of the transfer payment.

	Strategic Plan 2015 – 2020	APP 2016/17	Programme Comment
PROGRAMME 7 – SKILLS DEVELOPMENT AND INNOVATION			
Sub Programme 7.1. Provincial Skills and Partnership			
Strategic Objective	To initiate skills planning and supply in response to government-driven economic investments.	To increase the throughput rate of learners in the workplace based TVET system.	Alignment with Skills Game Changer.
	To improve the coordination, planning, implementation and funding of skills development interventions/strategies across stakeholders.	To increase the number of TVET graduates finding employment (formal or self-employment).	Alignment with Skills Game Changer.
	To better coordinate government training programmes of internal and external candidates across departmental programmes and departments.	To better coordinate government training programmes of internal and external candidates across departmental programmes and departments.	Alignment with Skills Game Changer.

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This publication is also available online at www.westerncape.gov.za



**Western Cape
Government**

Economic Development
and Tourism

PR26/2016
ISBN: 978-0-621-44295-3

Front cover photograph courtesy of Wesgro