



***Programme Performance***  
***PART: 2***

***AYESHA PRICE***  
***Ti Koelf's Heritage***  
*(Cape Malay dressmaking)*

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## 2.1 Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
R' 000	R' 000	R' 000	R' 000	R' 000
126 536	118 328	8 208	126 439	97
<b>126 536</b>	<b>118 328</b>	<b>8 208</b>	<b>126 439</b>	<b>97</b>
<b>Responsible Minister</b>	Minister of Finance, Economic Development and Tourism			
<b>Administering Department</b>	Department of Economic Development and Tourism			
<b>Accounting Officer</b>	BRENDON ROBERTS Deputy Director-General of Economic Development and Tourism			

## 2.2 Aim of Vote

To achieve the vision of iKapa eliHlumayo, the essential mandates of the Department of Economic Development and Tourism are:

- To **grow** the economy in a sustainable manner for the benefit for all who make the Western Cape their home.
- To create **employment**, especially for the presently unemployed.
- To make **ownership** of the economy representative of the demography of the Province.
- To increase levels of **participation** in the economy by all, especially by the previously excluded and presently marginalised.
- To make citizens and their enterprises effective players in the **global** economy.
- To create a fair, effective and conducive **business environment** for enterprises and consumers.

## 2.3 Key measurable objectives, programmes and achievements

### 2.3.1 Key measurable objectives

The key measurable objectives are described within each programme under **2.7 Programmes**.

### 2.3.2 Programmes

The activities of the Department of Economic Development and Tourism are organised in the following four programmes:

#### Programme 1: Administration

Sub-programme 1.1: Office of the Minister

Sub-programme 1.2: Corporate Services

#### Programme 2: Enterprise Development

Sub-programme 2.1: Business Regulation

Sub-programme 2.2: Industry Development

Sub-programme 2.3: Economic Development Co-ordination

Sub-programme 2.4: WESGRO

#### Programme 3: Tourism

Sub-programme 3.1: Tourism Development

Sub-programme 3.2: Tourism Regulation

Sub-programme 3.3: CTRU

#### Programme 4: iKapa eliHlumayo

The purpose of each programme is described within each programme under **2.7 Programmes**.

### 2.3.3 Achievements

#### Programme 1: Administration

##### Sub-programme 1.1: Office of the Minister

With the formation of a new Cabinet after the April 2004 National and Provincial elections, the Ministry of Tourism's functions were included in the Ministry of Finance and Economic Development under Vote 3: Provincial Treasury funds.

##### Sub-programme 1.2: Corporate Services

**Financial Management** has in a short period of time been highly successful in the implementation of systems surrounding its core functions of budget administration; the rendering of a departmental accounting service; the management of a provisioning and procurement section; and the management of an internal and risk management unit.

Successes include:

- the development and implementation of a financial manual, which outlines all relevant prescripts and financial norms and standards;
- the efficient management of the Department's budgeted expenditure to be within the 1% of its adjusted appropriation; and
- the development and implementation of an Accounting Officer's system to manage assets and procurement.

**Human Resource Management** has ensured that the performance assessments for the period 2003/04 were submitted for staff members who qualified for incentives. These assessments were reviewed and recommendations were made on future implementation of the system.





Interns accompanied the Executive Management Committee (EMC) to the reading of the Budget Speech: Brendon Roberts (HoD), in the back, is surrounded by Sivuyile Mnyamana, Marchelaine Bloems, Linah Maqashu, Qaphela Luthuli, Sizeka Ganjana, Hazel Mafanya, Unathi Khetsi, Nokwezi Mnkwa, Ivon Lobi, Nosiphiwo Sityatna, Ishmael Zwakala, Mahluthshana Nontsikelelo and Vuyo Bobo. They were captured in the passages of the Legislature on 20 April 2005.

## Human Resource Development

The most galling phrase a new or unemployed graduate can read in the employment ads is "experience required". Galling because of the Catch-22 students find themselves in: can't get experience without getting a job; difficult to get a job without relevant experience. One could question whether it is worth three-to-four years of post-secondary education (and student debt) to have so few decently-paying employment options. While some tertiary institutions have addressed this problem with formal or informal relationships in the business sector that allow students to gain work-based experience, the national government's internship programme has brought opportunity to thousands more students, enabling them to now meet the demand for "experience required."

The internship programme is for recent graduates who are unemployed, and for students who, as part of their graduation requirement, must complete work-based experience. The programme plays a pivotal role in exposing interns to the demands of the workplace – putting theory into practice – and providing a venue from which to network for employment opportunities. At provincial level, the Department provided work-based experience across all units to 31 interns, giving teeth to the skills Development Act (1998) that seeks to empower tertiary learners and the quality of the South African labour force in this competitive working environment.

Qaphela Luthuli, vice-chairperson of the internship committee, and an intern in the Department's Human Resource Development Unit, summarises the internship experience:

"All interns feel welcome in the Department and the purpose of their presence within the Department is highly appreciated. We have also been given an opportunity to apply what we learn at tertiary institutions. This is evident in the fact that we are exposed to how things are done in the work place. Mentors assigned to interns assist and guide us on how to work more effectively and efficiently. The Department gives the interns a lifetime opportunity to prove themselves, as we are given a chance to participate in different events, for example, attending the MEC's Budget Speech, re-orientation of public servants' course, participation in action cricket, and the opportunity to have the Department of Labour teach us how to compile interesting CVs, prepare successfully for job interviews, and how to job hunt."

"As interns, we feel very privileged to have been chosen to do our in-service training in this Department. The mentors treat us like real employees and not as trainees, thus we feel the sense of belonging to this Department. They always encourage us to perform to the best of our ability as interns, and we wish and hope that all government departments treat internship programmes as seriously as this department does. Lastly, we appreciate the enthusiasm shown by the Head of Department (Brendon Roberts) towards this programme. The experience we gained in this programme has provided us with a solid and perfect stepping stone towards our chosen careers. We hope that one day we will give back in some way or other what we received from this programme. We could not have asked for a better place for our internship."

The Department did not exceed the 1.5% of the compensation of employees.

Successes include:

- In the development of human resource capacity of the Department, staff training needs were assessed and addressed through scheduling of human resource development interventions and the provision of bursaries.
- A budget has been provided for a project focusing on Quality of Work Life of employees.
- As an indication of the Department's commitment to contribute to the National Skills Development Strategy, work-based experience for currently unemployed graduates and undergraduates is provided through internships.
- To enhance the labour relations and transformation services rendered, the Department has made inputs on the drafting of provincial labour relations and HR policies; dealt with misconduct in a decisive manner; and engaged with organised labour at a departmental level.
- In the rendering of an effective support service, a registry has been established to address the issue of records management, messenger service, and other support. The unit is currently in the process of addressing occupational health and safety issues and service delivery improvement.

## Programme 2: Enterprise Development

### Sub-programme 2.1: Business Regulation

In the **Business Licensing** unit, the national Liquor Act (Act No 59 of 2003) was passed during 2003, and became operational on 13 August 2004. The Act imposes a three-tier system on the liquor industry, consisting of the manufacturing and the distributing tiers that will be regulated by the National Liquor Authority; while the sellers of liquor for consumption and micro-manufacturers will be provincially regulated. The thresholds that have been determined by national liquor regulations ensure that the vast majority of manufacturers will be classified as micro-manufacturers. This allows Provincial Government to ensure that micro-manufacturers receive government support.

The national legislation provides that any sale of liquor for consumption purposes must be regulated by provincial entities. Consequently, Provincial Government is in a position, by means of provincial liquor legislation, to address the impact that the sale of liquor has on consumers. The draft liquor policy document, which will guide the drafters of the provincial legislation, will be approved by Cabinet and the draft provincial legislation will be introduced into the provincial Parliament at the beginning of the 2005/06 financial year.

Initial efforts have been made to support industry organisations that promote the achievement of sustainable export growth in the wine industry. These efforts include supporting bodies that ensure international accreditation, and bodies that promote the exporting of quality Western Cape wines. It is intended that these measures will increase the export of quality wines from the Western Cape.

Unlicensed traders have been encouraged to apply for liquor licences; in particular a co-operative relationship has been developed with liquor traders' organisations whose membership comprise largely unlicensed traders. Also, applications from traders' organisations, which subscribe to codes of conduct that promote responsible trading practices, have been encouraged. An increase has been detected in the number of applications received from members of the various liquor traders' organisations.

A report on the impact that the supply of standard price bulk white wine in unsuitable containers has on rural communities has been received, and together with other stakeholders, measures are being taken to ensure that the contents and packaging meet minimum norms and standards. These measures will contribute to the reduction of the abuse of alcohol on farms and decrease the negative perceptions of the wine industry in the Western Cape, both locally and on the international market.

A draft curriculum for the mandatory training of new liquor licence holders, as envisaged in the White Paper on Liquor Licensing, has been developed by the Association for Responsible Alcohol Use in collaboration with the Department. Efforts to have the curriculum accredited and implemented are being made. Studies on the

relationship between the provision of training to the sellers of liquor and the decrease in crime are further being supported to ensure that the content of the training programme remains relevant. These measures will create a climate of responsible liquor trading amongst the sellers and servers of liquor.

The Department has supported two phases of a project to raise awareness of foetal alcohol syndrome (FAS) amongst learners within the Breede Valley. These measures will contribute to the reduction of the occurrence of new incidents of foetal alcohol syndrome in the Province.

In terms of the provisions of the Constitution, Provincial Government is exclusively responsible for the licensing of the retail liquor trade and micro-manufacturing. A White Paper containing a policy on the liquor industry has been approved and draft legislation is being developed for implementation.

Business Regulation houses the **Liquor Board** of the Western Cape and is primarily involved in the regulation of the retail and micro-manufacturing sectors of the liquor industry. The Liquor Board is a vital role-player in the SMME sector of the industry – it is estimated that on average, four jobs are created per licence granted. The Liquor Board approved approximately 1 200 new licences in the previous financial year.

Liquor, however, is also notorious for its social evils. The goal is to have a socially responsible liquor licensing system, with the emphasis on enhancing quality of life. The Liquor Board addressed a numbers of problems related to licensed premises, where in some instances licenses were revoked.

The main challenge for the 3-year period will be the balanced attempt to regulate the informal retail trade within the industry. A further important challenge for the unit will be to ensure compliance by licence holders. The need for a training and education programme for law enforcement agencies and prosecutors of the Justice Department relating to the compliance of liquor laws has been identified and will be developed and implemented.

The issue of organised crime activities within the retail and micro-manufacturing sectors of the liquor industry has become a priority and necessary steps have been taken to address this issue. However, this project demands sophisticated and careful planning, which requires the necessary human and other resources in order to address the problems effectively.

Apartheid had left South Africa with a legacy of poor, illiterate or semi-literate and acquiescent consumers who were ignorant of their important role as drivers of the economy, and who consequently were prepared to accept poor service, inferior products of limited range and the lack of or inadequate provision of redress. Base-line research carried out by the **Office of the Consumer Protector (OCP)** in 1999 revealed that the consumer complaints and advice service offered by the OCP was not easily accessible to the poor, and more particularly, to rural consumers for the following reasons:

- Geographical separation (distance from the office in Cape Town).
- Low levels of literacy and the consequent inability to properly articulate their problem(s) over the telephone.
- Poverty (no or insufficient funds to call the office in Cape Town).
- Technophobia (using a telephone, dealing with a voice-recording, being unfamiliar with computers, the Internet, etc.).

Taking cognisance of the above, OCP management realised that it would have to drastically revise its methods of delivery with regard to its mechanisms for complaints resolution in order to provide proper access to poor and otherwise marginalised people. The possibility of establishing satellite offices in each of the rural districts of the Province was investigated, and summarily abandoned when a preliminary and basic costing exercise revealed that this option would simply be too expensive. Accordingly, the OCP set about establishing a network of advice offices as walk-in service points throughout the Province where consumers could lodge their consumer-related complaints in a face-to-face environment.

Furthermore, the accessibility to the unit's internal complaints management mechanisms was improved through the establishment of a call centre (with an integrated electronic complaints management system) that can be accessed toll-free, as well as the

# FASfacts

Bob and Billy are two unusual characters used to drive home the message that Foetal Alcohol Syndrome (FAS) can be prevented. Bob and Billy are lead actors in FASfacts, an experiential learning programme piloted to thousands of learners in 27 primary schools in the Breede Valley area and to 64 adults so far. Expansion of the programme will continue in 2005-2006 to include more than a thousand adults on farms in the same area.

FASfacts is sponsored by the Department of Economic Development as a FAS-prevention campaign. The campaign is two-fold: Teaching FAS prevention while also teaching life skills, giving learners the tools to be active change agents in spreading the

Using a half of a small orange and a half of a large orange, facilitator Simon Witbooi demonstrates the FAS-message that alcohol consumption during pregnancy causes severe brain damage. The small squashed orange depicts the damaged FAS-brain, and the unscathed larger orange a normal brain. On the right Witbooi shows learners the difference in size between the smaller FAS-brain and the larger normal one.



FAS-message in their communities.

Therefore, through discussion, demonstration, participation and role play, participants learn the devastating effect alcohol consumption can have on a foetus, and the power they have to prevent this.

This is where Bob and Billy come in. They are bean seeds representing pregnancy. Participants get their own Bob to take home and the group raises Bob and Billy at school. Bob (Beste Opgepaste Baba) is watered regularly, while Billy is drenched in alcohol.

Learners see firsthand Bob's and Billy's different growth patterns over several weeks. Bob grows and thrives. Billy does not.



Through role-play learners experience some of life's obstacles that FAS children face everyday; obstacles such as being unable to get the right hand to act on the brain's command to scratch the head.



Adults also learn about FAS side effects through role play...



... and then use handprints to sign the FASfacts pledge that they "make a difference."

With the growing plant as proof, Simon Witbooi discusses a thriving "Bob" and non-existent Billy.



Proud learners show off their thriving "Bobs" and hand painted pledge that they, too, "make a difference".





provision of ground-floor premises with high visibility and prominent signposting. In addition, substantial energy was spent on marketing the existence and services of the OCP. This has resulted in vastly increased levels of awareness as reported by members of the public and other role-players, and an almost three-fold increase in the number of complaints lodged with the unit by consumers. Despite the major increase in the volume of work, the unit continues to achieve a resolution rate of more than 65% of complaints lodged within the first 30 days after lodgement.

The Consumer Affairs (Unfair Business Practices) Act (Act 10 of 2002) was passed on 10 December 2002 and has not yet been put into operation due to a variety of constraints.

## **Sub-programme 2.2: Industry Development**

Despite a challenging year in terms of strategic and staff restructuring, the sectoral projects and programmes of the Department experienced significant movement, buoyed largely by the iKapa eliHlumayo funding of the previous year. Funding was allocated for the operationalisation of the sector bodies and for the implementation of specific projects emanating from the sector bodies.

In terms of the new sector bodies, the Cape Oil and Gas Supply Initiative (COGSI), the Cape Town Boat-building and Technology Initiative (CTBTi), and the South African Mariculture Initiative (SAMI) were incubated and supported within the Department and then launched as independent entities. In particular, COGSI has generated considerable interest both locally and internationally, and has already made an impact on the number of oil and gas related tenders being allocated to Western Cape-based firms. COGSI is currently in the process of establishing a "foundation" to ensure that the Province can meet the demanding requirements expected by the oil majors, and to build the profile of the region. CTBTi has also made some exciting breakthroughs – in particular the establishment of a boat building course and academy in co-operation with one of the FET colleges.

Regarding the more mature sector initiatives, The Cape IT Initiative (CITI) has continued to play an important role in profiling the Western Cape as the ICT and software development "hub" of Africa, and has successfully survived a tough relocation of its internationally acclaimed Bandwidth Barn, which hosts more than 60 ICT SMMEs. Within the Barn, a special programme named the "launchpad", was developed to provide intensive support to black ICT entrepreneurs. Ten black companies, employing 60 staff, were incubated and mentored within the bandwidth barn as part of the first pilot stage funded through the Province. Seven of the 10 companies were still in existence at the year-end.

The Department has played an active role in the beleaguered clothing industry, driving a major competitiveness programme with 16 of the major firms, which in total employ more than 10,000 people. In addition, it actively supported Clotex and embarked on a number of joint initiatives to assist in the "formalisation" of the Cut, Make and Trim (CMT) industry.

The Cape Craft and Design Institute (CCDI) continued its nationally recognised interventions in supporting emerging crafters, and in ensuring that design and skills are optimised.

The film industry has clearly experienced a difficult year, with commercials having lost considerable market share to South America in particular. The Film Commission has, however, continued to improve its service, and to play a strong leadership role in the industry. A key "pressure release valve" has been the financing of the Film Empowerment Fund that was piloted during the year. The Film Empowerment Fund was well received by emerging film producers and students.

Calling the Cape has achieved considerable success in attracting call centres to the Province, with R300 million worth of foreign investments being made and more than 2 000 operators being employed.

The support programme for sector related special purpose vehicles (SPVs) was strengthened during the year, with a performance indicator tool being developed and applied. A workshop was

## Buyer Beware Part 1

Debt-ridden consumers just wanting to get away from their creditors often view being placed under administration as "manna from heaven". After all, interest payments are suspended, the summonses stop coming, and they are given a chance to pay off their debt over a long period of time at a low monthly installment. Not so, realised Mrs A, whose husband placed himself under administration in May 1998 when the creditors were at his door almost weekly. Initially things were fine – the creditors left him alone and instead of skipping several creditors' instalments in order to pay arrears on one or two who were on the verge of removing his furniture, he was able to pay a very affordable monthly instalment of R360 to his administrator, who promised that he would "sort everything out". Five years and R22,320 later, Mr and Mrs A have learnt the hard way: The administrator paid only one of their creditors for a grand total of R398.31!

A 2002 study commissioned by the Micro-Finance Regulatory Council revealed that three years after being placed under administration, the vast majority of such consumers found themselves stuck with a much higher debt than at the time they sought the protection of an administrator. Mr A is now waiting to see whether his charge of theft against his administrator will result in him being arrested and charged.

## Buyer Beware Part 2

Debt-ridden consumers are often encouraged to consolidate their debts for easier repayment to one lender. In March 1999 Mr S decided to do just so. He approached a micro-lender for a loan. He excitedly signed "papers" with the very friendly and helpful assistant who promised him that his various debts would be settled in about two weeks, and that he need only start repaying the loan the following month. Mr S waited ... and waited ... and waited. Eventually, he realised that the consolidation loan was not going to materialise and, therefore, continued, with much personal sacrifice, to pay off his various debts. Almost two years after settling the last of his debts, a deduction of R1,730 (more than 35% of his normal take-home pay) suddenly appeared on his pay-slip. Mr S approached the Office of the Consumer Protector in a state of panic. Upon enquiry, the micro-lender who had instituted the deduction (a subsidiary of one of the "big four" banks) insisted that Mr S had received the consolidation loan of approximately R18,000 in 1999 and that it had, due to non-payment, grown to R91,000 in the almost four years since! After many

acrimonious telephone calls and faxes, the bank reversed the deductions pending an investigation, in which it was eventually found that the consumer actually owed it only around R9,000. Naturally a very relieved Mr S was only too happy to accept this hard-fought settlement and has since paid it off. He is now free of the micro-loan debt and has vowed never to borrow from a micro-lender again.

## Buyer Beware, Part 3

Retrenchment insurance. Sounds like a good thing. Especially in these days of job uncertainty. That's what Mr D thought after he'd already signed to buy a washing machine with a cash price of R2,525 and was told that it included a "buyer's protection" policy. These policies typically provide cover for six months, though sometimes only for three months, if you lose your job through retrenchment. In Mr D's case, the "included" policy actually cost R1,388 – 55% of the cash price of the fridge! (And we haven't even added the interest on the R1,388 over the two years of the loan). At R224 per month over six months for a total of R1,344, the payout would be less than the customer's buyer protection policy of R1,388. Is buyer protection worth it? You decide...

An informed consumer  
is a satisfied consumer

# The Sheriff



OFFICE OF THE CONSUMER  
PROTECTOR (WESTERN CAPE)



Department of Economic Development  
& Tourism



RIGHT: Interviewing a participant at the Learning Cape Festival in Khayelitsha.



LEFT: Dancing up a storm at the Learning Cape Festival in Khayelitsha.

## The Learning Cape Festival (LCF)

What started with a handful of dedicated learning visionaries in 2002 to hold a focused event promoting a culture of lifelong learning has, two years later, evolved into the annual learning festival in the Western Cape.

The Learning Cape Festival (LCF) highlights and profiles education, training and other developmental activities in the Western Cape as an important strategic intervention towards developing a learning province. This is an innovative and unique approach to achieving the human capital objectives set out in the vision of iKapa eliHlumayo – growing and sharing the Cape – that underpins an inclusive, sustainable and shared future for all.

The LCF promotes lifelong learning to increase participation rates in formal and informal learning across all ages, levels, sectors and geographical areas. Education, training and skills development interventions are built on solid foundations to better respond to economic, social and personal developmental needs. This is best achieved through partnerships and collaboration between business, labour,

government departments, civil society, the many varied education and training providers, and through gathering and developing reliable and up-to-date information.

Both the Department and the Western Cape Education Department (WCED) along with a wide range of social partners have supported and hosted the LCF as a month-long focus on learning achievements and challenges in the Province. The LCF is book-ended by two important dates in our lives, National Women's Day on 09 August, and International Literacy Day on 08 September.

The objectives of the LCF are to increase awareness about learning as a key issue to social improvement, self-empowerment, and economic growth; to enhance network building to increase and improve learning opportunities; and to improve the connections between learning and work.

The LCF theme for 2004 was "Implementing the Growth & Development Summit Agreements in the 10th year of democracy", and the message for 2004 was, "Life can be different".

organised by the Department that included the CEOs and staff of all the SPVs to examine issues of corporate governance, performance management, and best practice in interventions. There are considerable lessons that are being learnt by the SPVs and these can be usefully shared. More than R10 million was contributed by the Department to eight sector bodies, which collectively hosted 190 events for over 5 000 people; have a combined database of 11 000 firms; managed 2 500 enquiries; sustained 9 665 jobs, assisted 1 500 BEE firms, and 2 100 SMMEs.

Towards the end of the financial year, the Department's interventions in HRD and skills were formalised into the concept of a Workforce Development unit. The Workforce Development unit consisted only of a manager and was not properly resourced. However, the unit played an important leadership role in workforce development matters in the Province. Important inputs and guidance were made around the various HRD processes underway including the WCED's HRD strategy and the Micro-economic Development Strategy (MEDS). In addition, the unit engaged the Provincial Development Council (PDC) with regard to HRD and skills development. Research was conducted into a groundbreaking SETAs' study in the Province, a highly innovative indicators project, and a labour force study. The Department played a pivotal role in the management of the month-long Learning Cape Festival (LCF), which had close to 500 events spread across the Province, and involved more than 100 organisations. In order to facilitate the LCF, a structure called the Learning Cape Initiative was proposed. The process of establishing the Learning Cape Initiative was facilitated by the Department.

### Sub-programme 2.3: Economic Development Co-ordination

Small business development is regarded as the main driver in achieving economic growth and development. The key areas of focus of the **SMME Development** unit include competitiveness, employment generation, and income generation. SMME Development has adopted a policy and implementation framework, which has drawn significant features from local, national, and

international strategies, in order to ensure a coherent and integrated approach to small business development.

Achievements in SMME Development include:

- Close working relationships with local authorities in the planning and roll-out of the RED Door offices.
- Sustained collaborative initiatives with other government departments and private sector organisations.
- Business information points at 31 rural libraries.
- Good working relationships with the major financial institutions in the region and with RFIs.

The **Local Economic Development** unit is critically responsible for maintaining and sustaining relationships at municipal level through partnership and collaboration. The unit provides support to the municipalities through the establishment of the Economic Development Units (EDUs) at district level and will roll-out the EDUs at local B level. This will address capacity at local level and will ensure alignment between district municipalities, B-municipalities and Provincial Government.

The Local Economic Development unit further assisted local government with municipal IDP assessments and reviews, which has enabled identification of needs and key areas of opportunity within rural communities and townships. In conjunction with the MEDS, the identified opportunities can be piloted to increase job creation and participation of all communities and historically disadvantaged individuals. In addition, province-wide roadshows will ensure that awareness is created and maintained.

During the financial year, the newly created **Black Economic Empowerment** unit was highly under-resourced with limited capacity. Even though development of an Economic Empowerment policy has been relatively slow across the Province, the unit has made major strides. The unit had engaged key national stakeholders, such as the **dti**, to ensure alignment of national and provincial objectives. Since November 2003 intense consultation with provincial stakeholders in terms of the Provincial Growth and Development Summit (PGDS) was undertaken.



## The RED Door

PAINTING the Province RED. That was the ad the Provincial Government ran in November last year to promote the RED Door, the Province's Real Enterprise Development initiative to have a one-stop business advice and opportunity centre for small business people where they need it. That's what the Province did in Khayelitsha and Mitchell's Plain, and now the RED Door has been brought to Hermanus, Atlantis and Paarl. RED Door offices in Knysna, Oudtshoorn and Beaufort West will be opened in April 2005.

Real Enterprise Development won't stop at eight advice centres though. The Provincial Government wants to see 35 centres operating in the next three years to address the diverse needs of rural, semi-urban and urban citizens, believing that entrepreneurs helped through these centres could generate 50,000 to 60,000 jobs a year.

Success of the RED Door offices in Khayelitsha and Mitchell's Plain can already be measured in terms of the number of people advised or helped – almost 1,700 to date. Of this number, many were helped to access government tenders – so far worth R8,8 million and counting. While the aim of the Provincial Government is to achieve equitable usage of the RED Door offices in line with broad-based Black Economic Empowerment (BEE), a breakdown of clients using the RED Door offices show that 40% are women, 30% are youth, and 2% are disabled.

The majority of entrepreneurs fall into the micro or survivalist market, and 60% are engaged in the retail sector. Construction is also a popular selection.

The main requests for advice or help are related to:

- starting a business;
- access to and assistance with tenders;
- access to finance; and
- business plan writing.

The Provincial Government hopes to build on this by providing on-the-job training at a later stage.

How will RED Door services be delivered?

- 3 languages;
- 2 educational levels; and
- a well-mapped plan of action for individual needs.

Premier Ebrahim Rasool and MEC Lynne Brown adding the finishing touches to the RED Door at the official opening of the RED Door office in Khayelitsha on 22 November 2004.



### Why the RED Door?

In South Africa small business development initiatives have often been fragmented with considerable duplication of support services. Also, these services although limited in variety, seem to be available only in certain areas and non-existent in many rural areas. The survival rate of small businesses in South Africa does not compare favourably to similar developing countries. In addition, research shows that entrepreneurial activity within existing small businesses is not at desired levels. These and many other challenges, for example, broad-based Black Economic Empowerment, have prompted the establishment of the RED Door offices.

Globally, small business development has had huge successes. In developed countries small businesses contribute up to 60% to GDP.

In SA small businesses contribute about 35% to GDP.

The RED Door office is more than just a one-stop shopping solution for small business people. It forms part of Provincial Government's BEE plan to deliver on iKapa eliHlumayo.

## Local Economic Development – EDUs

The Cape Winelands District Municipality runs one of five Economic Development Units (EDUs) established by the Department's Local Economic Development (LED) unit last year to enable trained and focused teams to be established within a District municipality to stimulate economic activity. With its R200,000 a year grant, over a three-year period, the Municipality commissioned sector studies on agriculture and tourism from Stellenbosch University, and tourism from a Dutch student seconded to the District for four years, in order to identify areas of intervention. Now in year two of the programme, information from these studies resulted in the creation of the Business Support Development Programme (BSDP) which was launched in February 2005 and run by the Business Opportunity Network (BON) to co-ordinate an integrated business support strategy to SMMEs in the Cape Winelands region. This business support strategy includes training and skills development, business planning and development support, business mentoring, and a business linkages and market development programme. The BSDP is a core component of the District's Local Economic Development Programme.

As the programme heads towards year three, the EDUs will be aligned to departmental programmes like Die Plek Plan and the RED Door, which will strengthen the Provincial Government's overall strategy to stimulate economic development throughout the Province.

BSDP milestones to date have been:

- facilitating 566 one-on-one consultations until December 2004; and an additional 110 to date,
- hosting numerous workshops on agri-business, access to finance, tendering, and business planning;
- opening an office in Paarl in October 2004 to assist businesses in the Drakenstein Municipality and surrounding areas. A consultant also holds workshops for the B-Municipalities; and
- two consultants visiting the B-Municipalities once a month to provide assistance to SMMEs, and interacting with councillors and departments in support of future business linkages with SMMEs.

By commissioning research, the Black Economic Empowerment unit also aimed to bridge the gap of inadequate resources, statistics and information. The research informed development, implementation and monitoring of policies and strategy. Engaging local municipalities was critical to ensure that the policies were taken through to grassroots level. In addition, the unit has played a critical role as broker and independent intermediary in the facilitation of BEE deals.

### Sub-programme 2.4: WESGRO

As the official Trade and Investment Promotion Agency of the Western Cape, WESGRO's mandate on behalf of the Department of Economic Development and Tourism is to attract foreign and domestic investment and to grow exports of products and services of the province through development of export capability, demand and market access.

WESGRO's key achievements for the 2004/05 financial year include:

- Attracting and facilitating R1,864 billion worth of new foreign and domestic investments, set against the goal of R700 million for the financial year.
- Growing the number of exporting companies by 406, against a target of 200.
- Launching an Exporter Development Programme and training 368 companies.
- Supporting 3 Trading Houses.
- Handling 2 320 enquiries and distributing 756 trade leads.
- Facilitating 10 outward trade missions and participation in 2 trade fairs.
- Hosting 49 inward trade and investment missions.

As a provincial public entity, and in keeping with the requirements of the PMFA, WESGRO publishes an Annual Report, which provides more detailed information on its functions and performance.

**Sub-programme 3.1: Tourism Development**

Key achievements in Tourism Development in the 2004/05 financial year include:

- The successful launch, support to and operation of Cape Town Routes Unlimited (CTRU), which is the Destination Marketing Organisation established to market the region.
- The implementation of an extensive tourism enterprise development programme including the launch of the Integrated Tourism Entrepreneurship Support programme (ITESP).
- Progress in six of the development nodes as envisaged in the Integrated Tourism Development Framework (ITDF).
- The implementation of 17 tourism community development projects in all the district municipalities of the Province.

**Sub-programme 3.2: Tourism Regulation**

Key achievements in Tourism Regulation in the 2004/05 financial year include:

- The successful training, mentoring and qualification of 22 HDI learners as cultural site tourist guides through a tourist guide training programme with the Cape Peninsula University of Technology (formerly Cape Technikon).
- Support to a successful Tourist Guide Conference, entitled "Partners in Transformation".
- Support in the launch of the National Federation of Tourist Guide Associations of South Africa (NFTGSA) and a concurrent initiative to launch a Western Cape Federation of Tourist Guides.
- The launch of a first-ever Foreign Language Training Course, with a French language Training Programme for HDI tourist guides in the Western Cape, in collaboration with the Department of Environmental Affairs and Tourism (DEAT) and Alliance Française.
- Celebration of International Tourist Guides Day on 21 February 2005.
- Implementation of the Tourism Victim Support Programme (Tourists in Distress campaign).
- Facilitation and management of the Regional Tourism Liaison

Committees (RTLCS) for the implementation of the Provincial Tourism Road Signage Framework.

**Sub-programme 3.3: Cape Town Routes Unlimited**

In the 2004/05 financial year the Department, together with the City of Cape Town, was instrumental in establishing a Destination Marketing Organisation (DMO) for Cape Town and the Western Cape as envisaged in the Western Cape Tourism Act of 2004 (Act No. 1 of 2004). A statutory structure, this organisation – trading as Cape Town Routes Unlimited (CTRU) – brought together all the tourism marketing efforts in the region. To date the organisation has been successfully established and we have already seen a growth in visitor numbers and expenditure to the region.

CTRU has a full legislative mandate to market the destination.

In so doing they are striving to: establish a winning brand; ensure an inclusive and equitable industry; maximise marketing impact and resources; and improve the business vs. leisure tourism ratio.

Core messages which are being driven in this process are marketing the destination as:

- a world-class, year-round destination;
- safe, secure and welcoming;
- a "Home for All";
- a value for money destination; and
- *an area of experience* rather than products.

Key achievements of CTRU in the 2004/05 financial year include:

*In the area of Leisure Marketing:*

Attending the World Travel Market where over 300 enquiries were managed, presenting Cape Town and the Western Cape to over 300 UK Travel Agents; securing German promotion for direct Frankfurt – Cape Town flights; and supporting the domestic marketing Sho't Left national campaign. CTRU also developed a regional image bank in preparation for the mounting of the largest ever print and electronic destination marketing campaign in the region.

*In the area of business tourism and events:*

Attendance at EIBTMA, a premier international event dedicated to the global meetings and incentive industry. This event attracted 5 000 industry buyers and 2 000 exhibitors from over 100 countries. CTRU met with over 30 hosted buyers. The potential economic impact based on successful conversion is R72,957 million.

CTRU also secured meetings and conferences (most internationally sourced) with a total economic impact of R20,925 million.

CTRU also co-hosted and sponsored large major events such as the Cape Town Jazz Festival, Aqua Opera and the Grand Masters Tennis Tournament.

As a provincial public entity, and in keeping with the requirements of the PMFA, CTRU publishes an Annual Report, which provides more detailed information on its functions and performance

## **Programme 4** | **iKapa eliHlumayo**

The delivery of a Micro-economic Development Strategy (MEDS) Preliminary Synthesis report outlining interventions in 6 sectors and 2 themes, set the impetus for further research into 8 additional sectors and 2 cross-cutting themes. The MEDS Preliminary Synthesis report further generated a high level of interaction amongst other provincial departments. For example, the Province is currently in the process of synthesising the lead provincial strategies. It further influenced the allocation of an increased budget to economic development, in order to achieve significant growth in key sectors; to create employment; and to reduce poverty.

## **2.4** | **Strategic overview and key policy developments for the 2004/05 financial year**

### **Programme 2: Enterprise Development**

#### **Sub-programme 2.1: Business Regulation**

The White Paper on Liquor Licensing was adopted as provincial policy on 16 March 2005 and will serve as the basis for the development of provincial liquor legislation. The first draft of the legislation has been completed and distributed within the Provincial Government for comment.

Progress has been made with the completion of draft Consumer Regulations that will enable the provision of the Consumer Affairs (Unfair Business Practices) Act (Act No 10 of 2003) to be put into effect. This will allow for the office of the Consumer Protector to be more effective in dealing with consumer complaints.

#### **Sub-programme 2.2: Industry Development**

The key policy changes that impact on the sectoral units will be the Micro-economic Development Strategy (MEDS), and the Provincial Advanced Manufacturing and Technology Strategy (PAMTS) that is being driven by the CSIR. Both these processes are currently underway, and will be finalised in the 2005/06 year. These strategies will have major implications for the sectoral units in terms of identifying projects and priorities for each sector. They will also define a mode of intervention that will guide all future sector and theme interventions.

#### **Sub-programme 2.3: Economic Development Co-ordination**

The establishment of the Small Enterprise Development Agency (SEDA) by the dti provided a new national direction for the development of small business. This resulted in the collapsing of



Premier Ebrahim Rasool, centre, with the project team of the Provincial Manufacturing Strategy at the PAMTS launch in Cape Town, October 2004.



## Provincial Advanced Manufacturing Technology Strategy (PAMTS)

The Provincial Advanced Manufacturing Technology Strategy (PAMTS) was officially launched by Premier Ebrahim Rasool and MEC Lynne Brown in Cape Town last October 2004, to complement the national Department of Science and Technology's Advanced Manufacturing and Logistics Technology Strategy (AMTS). The Director General of the Department of Science and Technology, Dr Rob Adam delivered the keynote address.

The Province has embraced the development of provincial technology strategies that take into account the dynamics of each provincial economy as one important way in which the Western Cape's economy can be supported. The PAMTS aims to support five key growth sectors through high impact integrated innovation-led strategies that promote manufacturing sector growth, employment creation and wealth generation. The provincial sectors targeted are electronics, clothing & textiles, food, metals & engineering and craft.

This is in line with the national government's commitment to micro-economic reform and to improving South Africa's competitive capabilities. Both the Department of Trade and Industry's Integrated Manufacturing Strategy and the Department of Science and Technology's National Research and Development Strategy form a powerful base on which to build a more solid manufacturing sector in South Africa.

One of the focal areas of the AMTS is that of supporting provincial manufacturing sectors with advanced technologies. Other focal areas include advancement of manufacturing SMEs and the need to facilitate manufacturing-relevant human resource development.

In all three focal areas the Western Cape presents significant challenges and opportunity. The Province has a diverse manufacturing sector comprising a high percentage of SMEs with a definite need to increase the skills levels of its workforce. The Department's Micro-economic Development Strategy (MEDS) will complement the PAMTS in that key government interventions will strengthen and extend innovation in the manufacturing sectors.

Ntsika and NAMAC into SEDA and signalled a more provincial (and local) approach to small business development. These developments coincided with the passing of the Small Business Amendment Act of 2004, which clearly outlines the roles and responsibilities of SEDA. The establishment of the Department's RED Door offices was well aligned to the new policy shift.

The draft National LED policy aimed at providing guidelines on a framework on which all spheres of government and relevant stakeholders can collaborate their efforts and resources to promote local economic development. This policy has not yet been approved by Cabinet and therefore impacts on the directive taken by the Local Economic Development unit in assisting municipalities with their economic development responsibilities.

The Municipal Finance Management Act (MFMA) provides guidelines to municipalities on good financial management and control measures in order to maximise delivery through efficient and effective use of limited resources. It affects the "municipal management and accountability on the financial transfer transactions" that the Department has with the municipalities. Legislatively, the MFMA requires strict accountability of the funds received by the municipalities from Provincial Government. Therefore, the Local Economic Development unit specifically plays a direct role in monitoring the efficient and effective use of the funds already transferred to the municipalities.

## **Programme 3** | **Tourism**

### **Sub-programme 3.1: Tourism Development**

The ITDF has been widely accepted as a planning tool by many municipalities in the Province and is being incorporated into the IDPs of the regions. Further planning work on three of the 11 areas identified for tourism development have already been completed. Planning for a further four areas will be conducted in the 2005/06 fiscal year. Significant progress has been made to implement community projects within the ITDF areas. In the coming period the focus will be on implementing responsible and sustainable tourism

indicators, and implementing a strategy for social tourism.

Policy development in the areas of BEE, HRD, Safety and Security, Road Signage and the publication of legislation governing the establishment of CTRU have been completed in the 2004/05 fiscal year. CTRU will develop marketing strategies to increase tourism traffic to the region and will be monitored via a service level agreement with the Department of Economic Development and Tourism.

Significant progress has been made in tourism enterprise development and a number of support initiatives including: the Cape Tourism Showcase; Tourism Enterprise Training Workshops; the development of an ITESP programme; and the roll-out of a mentorship programme have been implemented. These programmes are linked to the Department's RED Door Initiative and will be further expanded in the 2005/06 financial year.

Human Resource Development remains an important part of the Department's commitment to develop the sector and progress on detailing the situation on the ground was made in the 2004/05 financial year. The key focus for 2005/06 will be on implementing recommendations arising from the situational analysis.

### **Sub-programme 3.2: Tourism Regulation**

To a large extent the regulatory function of tourism is a national mandate, although the Western Cape once again has taken a lead role with regard to the following aspects: Safety and Security, Tourism Road Signage and Tourist Guide Registration. For example, the Safety and Security Framework and the Tourism Road Signage Framework provide well-defined strategic directions for the Western Cape. In addition, Tourist Guide Registration – which is more operationally orientated – has set the trend for other provinces to follow.

## Tourism Community Development - Integrated Tourism Entrepreneurship Support Programme (ITESP)

ITESP represents a partnership between CTRU, the Department of Economic Development and Tourism (DEDT) and the Development Bank of Southern Africa (DBSA). ITESP is intrinsically linked to the outcomes of the iKapa eliHlumayo lead strategy, as it will contribute to economic growth, reduce unemployment, increase the demographic spread of ownership in the tourism industry and promote participation in the broader economy.

The main aim of ITESP is to provide integrated support to tourism small and medium enterprises (SMEs), including access to capital, skills and markets. The programme will link SMEs with mainstream tourism business and financial institutions.

The programme can be accessed through:

- Accredited agents who will submit applications on a case by case basis.
- The Department's mentorship programme.
- Referrals from the Real Enterprise Development (RED) Door advisors.

## Tourism Community Development - International Shows and Tourism Workshops

The Department, together with CTRU, offers opportunities to attend international tourism shows and trade workshops on a subsidised basis to SMMEs that have participated in the mentorship programme and have successfully participated in the Cape Tourism Showcase and Indaba. SMMEs must be able to demonstrate that their products/services target the market relevant to the trade shows or workshop in order to be considered for participation in the specified International Trade Show or Workshop.

Through ETEYA (Entrepreneur of the Year Award), an initiative of SA Tourism, the finalists in each of the provinces are sent to the WTM (World Travel Market) in London. The Tourism Business Forum forms the panel that decides which businesses to nominate from the Western Cape.



Pierre Pienaar of the Logical Golf Academy (middle) demonstrates some golfing shots to a group of historically disadvantaged individuals breaking into the leisure tourism industry.

## CTRU – Economic Empowerment

Small, micro and medium enterprises (SMMEs), among them the historically disadvantaged, are an economic development sector that Cape Town Routes Unlimited (CTRU) has aligned itself with in order for more of these enterprises to gain market access in the tourism industry. SMMEs receive step-by-step guidance in order to be successful and sustainable in line with CTRU's mandate to market Cape Town and the Western Cape locally and internationally as a preferred leisure tourism, conventions and events destination.

CTRU also arranges for SMMEs to participate in domestic and international travel, trade and tourism shows. These trade shows are a major component of the mentoring and development of SMMEs as experiences gained here can be translated into longer-term success of local business ventures.

## Programme 4: iKapa eliHlumayo

At present the Department's intervention strategies into the economy of the Western Cape do not have the benefit of a comprehensive, detailed and widely agreed upon Micro-economic Development Strategy (MEDS) that will inform its actions, even though current interventions are already aligned with the broad principles of iKapa eliHlumayo and the Provincial Growth and Development Summit's Framework Agreement.

The Micro-economic Development Strategy will define and prioritise those targeted interventions that would have the maximum impact per Rand spend to place the Province on a sustainable growth path in order to address equity and the need to create sufficient and sustainable jobs.

The MEDS research process set out to complete the research of the following 6 sectors and 2 themes during the 1st phase (completed in December 2004):

- Agriculture
- Fishing and Aquaculture
- Clothing and Textiles
- Metals and Engineering
- Information and Communications Technologies (ICT)
- Tourism
- SMMEs
- HRD

Based on the findings of this research, a Preliminary Synthesis Report, which includes key interventions recommended for each sector and theme, was completed in January 2005.

The programme further set out to commence the 2nd phase of the MEDS process in January 2005. The following additional 8 sectors and 2 themes will be researched:

- Oil and Gas
- Call Centres/BPOs
- Biotechnology
- Electronics
- Financial Services
- Craft
- Film
- Cultural Industries, Arts and Creative Arts
- Transport
- Energy

The 1st and 2nd phase combined will culminate in a comprehensive policy recommendations strategy document, which will provide prioritised key interventions in the sectors and themes researched. This process is currently on track. A detailed project plan of key deliverables and submission dates has thus far guided the MEDS research process.



## 2.5 Departmental revenue, expenditure and transfer payments

### 2.5.1 Collection of departmental revenue

The issuing of annual renewal notices has been improved over the last number of financial years by ensuring that the liquor licence database accurately reflects the valid licenses issued for a particular period.

The liquor licence system has been further adapted to ensure that applications and transactions may not be processed until all outstanding fees due for a particular licence have been fully paid. The system has been updated to allow for the determination of

outstanding fees. This notification is used to ensure that enforcement and compliance mechanisms are in place.

It should be noted that although licence revenue has increased substantially by 10.5%, licences issued during the reporting period have only increased by 1 200. This is primarily due to the improved mechanism put in place by the respective division responsible for collections. These measures include the improved working relationship with the South African Revenue Services (the collecting agency for the Department), and the improved reconciliation techniques utilised by the Department to verify liquor licence revenue.

Collection of Departmental Revenue	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Actual	% deviation from target
	R' 000	R' 000	R' 000	R' 000	R' 000	%
<b>Tax revenue</b>	<b>3,299</b>	<b>3,388</b>	<b>3,681</b>	<b>3,420</b>	<b>3,779</b>	<b>10.5%</b>
Liquor Licences	3,299	3,388	3,681	3,420	3,779	10.5%
<b>Non-tax revenue</b>	<b>472</b>	<b>312</b>	<b>359</b>	<b>260</b>	<b>298</b>	<b>14.6%</b>
Sales of goods and services other than capital assets	472	312	359	260	298	14.6%
<b>Sales of capital assets (Capital Revenue)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>100%</b>
Sale/Cp/Ass: Office Equipment	0	0	0	0	15	100%
<b>Financial transactions (Recovery of loans and advances)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,844</b>	<b>100%</b>
<b>TOTAL DEPARTMENTAL RECEIPTS</b>	<b>3,771</b>	<b>3,700</b>	<b>4,040</b>	<b>3,680</b>	<b>5,936</b>	<b>61.3%</b>

## 2.5.2 Departmental expenditure

Programmes	Voted for 2004/05	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
	R' 000	R' 000	R' 000	R' 000	R' 000	%
1. Administration	11,297	(2,382)	1,883	10,798	10,774	0.002%
2. Enterprise Development	71,305	10,490	(836)	80,959	80,916	0.0005%
3. Tourism	31,301	100	(751)	30,650	30,633	0.0005%
4. iKapa eliHlumayo	4,425	0	(296)	4,129	4,116	0.003%
<b>TOTAL</b>	<b>118,328</b>	<b>8,208</b>	<b>0</b>	<b>126,536</b>	<b>126,439</b>	<b>0.0007%</b>

### 2.5.3 Transfer payments

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Library Business Corners (LBC)	200,000			200,000	200,000	<p>LBC is a Section 21 company established in 2000. The City of Cape Town and the Department are founding members and form part of the board of directors. The aim of the project is to address the information gap that exists in local communities by having small business information corners in municipal libraries in urban and rural communities. Presently, 31 LBCs are operational across the Province.</p> <p>Funds transferred as follows:</p> <ul style="list-style-type: none"> <li>• R200,000 first tranche payment</li> <li>• R100,000 second tranche payment</li> </ul> <p>Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; quarterly site visits; and a seat on the board of directors.</p>
	100,000			100,000	100,000	
Open for Business	1,200,000			1,200,000	1,200,000	<p>Open for Business, now re-named The Business Place, is a 'one-stop-shop' business centre providing professional advice and referrals to potential and existing SMMEs. The Business Place is a collaborative project between the City of Cape Town, Sekunjalo Investments Ltd and the Department. Funding was transferred for the purposes of maintaining operations and programme delivery related to SMME support. To date over 1 600 entrepreneurs have been helped, which exceeded the initial target of 400 within the first 6 months. 2 – 3 outreach programmes are held on a monthly basis. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; quarterly site visits; and a seat on the board of directors.</p>

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CAPEMAC	1,600,000			1,600,000	1,600,000	CAPEMAC is a Section 21 company established under the auspices of the National Manufacturing Advice Centre. CAPEMAC offers support and advice related to manufacturing for SMMEs in the Western Cape. Due to hugely successful operations at the Cape Town office, the Department funded the establishment of a satellite office in the George area. Targets were again exceeded. 162 SMMEs were assisted during this period in the Cape Town office, and 61 SMMEs were assisted in the George area. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; quarterly site visits; and a seat on the board of directors.
University of Stellenbosch	200,000			200,000	200,000	The Department funded a business skills training programme for disabled entrepreneurs. Five business skills programmes were offered over the course of the year, where a total of 82 workshop managers and the entrepreneurs received training. An additional 3 workshops were held due to the demand of the project. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.



Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CASIDRA			11,700,00	11,700,000	11,700,000	Payments transferred to CASIDRA were used for 2 specific and unique projects: 1. iKapa/ABSA entrepreneurial fund, which gives loan finance to 'unbankable' SMMEs. 2. The RED Door – where CASIDRA was appointed as the implementing agent. The RED Door offices serve as 'one-stop' business advice and support centres. Through CASIDRA, 151 entities received finance and mentorship. Both of these projects are pilots in South Africa and are currently faring exceptionally well. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; quarterly site visits; and bi-weekly meetings with the CASIDRA management team.
South Cape Business Centre	100,000			100,000	100,000	South Cape Business Centre offers business development services for SMMEs in the South Cape region. The amount of R100,000 was rolled-over from the 2003/04 financial year. Funds were transferred as follows: • R100,000 first tranche payment. • R10,000 second tranche payment. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.
	10,000			10,000	10,000	

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Cape Winelands District Municipality		200,000		200,000	144,414	Establishment of a dedicated unit, within the Cape Winelands District Municipality, responsible for addressing local economic development in the region. The outstanding balance will be used to roll-out the business support programme to the various B-municipalities in the region. This is part of the Municipalities' LED Strategy. Progress was monitored as follows: financial and project progress reports; and site visits.
Central Karoo District Municipality		200,000		200,000	120,000	Establishment of a dedicated unit, within the Central Karoo District Municipality, responsible for addressing local economic development in the region. The outstanding balance will be utilised to develop the Municipalities' LED Strategy for the region and will be completed at the end of August 2005. Progress was monitored as follows: financial and project progress reports; and site visits.
Eden District Municipality		200,000		200,000	26,000	Establishment of a dedicated unit, within the Eden District Municipality, responsible for addressing the need for local economic development in the region. Funds for the last transfer payment were not utilised, as the tender for the baseline study was withdrawn in November 2004. An entrepreneur's seminar was held in June 2003 and was financed from the 2003/04 financial year transfer payment. Training of the LED officials and the commencement of the economic baseline study has been re-scheduled for June 2005 and will be funded from the EDU funding allocation. Progress was monitored as follows: financial and project progress reports; and site visits' to monitor delays.

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Overberg District Municipality		200,000		200,000	141,039	Establishment of a dedicated unit, within the Overberg District Municipality, to be responsible for addressing the need for local economic development in the region. The economic profile study on the District and B-municipalities was completed in December 2004. A final report is expected in April 2005. Compilation of Swellendam, and Cape Agulhas LED strategies and alignment of the Overberg district LED Strategy with B-municipal and provincial government programmes is planned for 2005/06. Progress was monitored as follows: financial and project progress reports; and site visits.
West Coast District Municipality		200,000		200,000	65,000	Establishment of a dedicated unit, within the West Coast District Municipality, to be responsible for addressing the need for local economic development in the region. A project manager post for the EDU has been advertised and is in the process of being filled. A further staff supplement will be added from the Community Development Work Officials and from the Learners on the Community Development learnership programme of the Municipality. There are existing projects that have been identified through the support of the EDU. A LED Strategy for the district exists and would be an integral part of the unit's programmes. Progress was monitored as follows: financial and project progress reports; and site visits.

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
West Coast District Municipality (Bitterfontein)		100,000		100,000	100,000	Bitterfontein is a medical herb community job creation project in Bitterfontein/Nuwerus that is co-funded by the Department. Funding was utilised for the test phase of production and marketing of medicinal herbs and plants for export. Progress was monitored as follows: financial and project progress reports; and site visits.
Council For Scientific and Industrial Research (CSIR)			5,000,000	5,000,000	3,280,000	The iKapa Agri-business Fund project, managed by CSIR, intends to identify a number of agri-processing projects, which through a development model, aims to establish new and economically viable agri-business ventures for the benefit of the previously disadvantaged. Seven pilot projects were selected. To date funding spend amounts to R3,280,000. Progress was monitored as follows: monthly financial and project progress reports.
Western Cape Trade and Investment Promotion Agency (WESGRO) – Export and Development Programme			200,000	200,000	200,000	WESGRO is mandated to manage trade and to promote investment. This programme is responsible for supporting emerging exporters. WESGRO reports on a quarterly basis through the WESGRO Board, on which the Department is represented.



Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
WESGRO			6,000,000	6,000,000	6,000,000	Funds were transferred to WESGRO as part of the annual allocation to the Public Entity. Funds were utilised for the day-to-day operational requirements, which include compensation of employees. Progress was monitored as follows: Memorandum of Agreements; quarterly reports; and representation on WESGRO Board.
WESGRO (Film Studio)			15,000,000	15,000,000		Funds were transferred to WESGRO to manage the Province's contribution to the construction of the Dreamworld Film Studio. The delay in the utilisation of the funds was due to a delay in the completion of a due diligence report. This report is a prerequisite to an agreement being signed between the Department, WESGRO and the Dreamworld consortium; and to any funds being transferred. Progress was monitored as follows: Memorandum of Agreements; quarterly reports; and representation on WESGRO Board.
WESGRO (Novel)			10,000,000	10,000,000	10,000,000	The funding was transferred to WESGRO for the interim purchase of Novel Garments SA (including all the assets, buildings and machinery). There are currently 85 people employed at the factory. The monitoring is currently conducted by WESGRO.
CSIR (Mbekweni-Paarl Job Creation Project)			250,000	250,000	250,000	These are two Sewing Projects employing 15 women each. The Projects manufacture clothing for Genuine Connection, a factory in Paarl on a Cut, Make & Trim basis. This gives both the projects the required sustainability. CSIR is the implementing agent and is responsible for submitting regular reports (both descriptive and financial).
CSIR (Rawsonville Job Creation Project)			150,000	150,000	150,000	

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CSIR (Afrique du Sud Job Creation Project)			150,000	150,000	150,000	CSIR is the implementing agent and is responsible for submitting regular reports (both descriptive and financial).
Cape Film and TV Initiative	400,000			400,000	400,000	The Cape Film and TV Initiative runs an annual film market and film festival, known as Sithengi, which profiles local players. Full financials have been received from the event managers.
Business Beat	90,000			90,000	90,000	Business Beat was supported to implement a business plan competition, which runs over 6 months. Twelve successful applicants were selected and given R1,000 to start a business. The applicants are provided with mentors over a 6-month period. The youngest successful applicant is a grade 8 learner who has managed to turn R1,000 into a business, with a monthly turnover of R4,500. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.
<b>Enterprise Development Sub-total</b>	<b>3,900,000</b>	<b>1,100,000</b>	<b>48,450,000</b>	<b>53,450,000</b>	<b>36,226,453</b>	

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
City of Cape Town		200,000		200,000	200,000	This initiative forms part of the Integrated Tourism Development Framework and is a joint initiative between the Department and the City of Cape Town. The Department's contribution was utilised for the erection of a memorial site in Khayelitsha to promote post-apartheid reconciliation by giving recognition to those who fought in the liberation struggle. The initiative is ongoing and the Department serves on the task team. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.
South African National Parks (SANPARKS)	250,000			250,000	250,000	Funding was utilised for the establishment of a project implementation plan and for the southern most point of Africa Lighthouse precinct planning. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.
Cape Craft and Design Institute (CCDI)	250,000			250,000	250,000	Financial contribution for the sustainability of the organisation to provide assistance to the craft industry throughout the Western Cape. The CCDI is a strategic partner in providing support to communities with regard to product development, access to markets, capacity building and training. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
SATSA	270,000			270,000	270,000	These funds were utilised by SATSA, together with the appointed Project Manager, Anix Trading, and the Steering Committee to implement the 2004 Tourism Mentorship Programme. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; quarterly site visits; and a seat on the board of directors.
CPUT (Tourism Bursary Fund)	100,000			100,000	100,000	In February 2002, the Department in partnership with CPUT established a Tourism Bursary Fund. Four full-time bursaries were awarded to historically disadvantaged students studying tourism and food and beverage management. The pilot project ended in the 2004/05 financial year and all four students graduated and obtained their National Diplomas. All four students are currently employed in the tourism industry. Based on the success of the bursary fund, the Department has committed to continue supporting the programme. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.



Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CPUT (Tourism Business Conference)	50,000			50,000	50,000	<p>The event had two major objectives. Firstly, to create a platform for tourism learners to interact and network directly with individuals representing the tourism industry. Secondly, by hosting this event 34 Event Management students were provided with an opportunity to co-ordinate the conference. The students' involvement informed part of their practical training and each student was assessed and evaluated. An estimated 250 delegates attended the event. Benefits to the Department for participating in this event included: demonstrating a commitment to training and education in the tourism industry; reputation enhancement for being community orientated and socially responsible; investing in the future of tourism leaders access to quality tourism training and education; and heightened visibility through media coverage.</p> <p>Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.</p>

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Municipalities (Cape Winelands)		250,000		250,000	250,000	<p>**These funds have been utilised for the implementation of the Tourism Business Training Programme.</p> <p>As part of the Tiered Support System, training has been provided at each of the four levels of tourism business development, reaching approximately 500 individuals of which 150 of these individuals already have tourism businesses that they would like to see more profitable. The following types of training have been provided:</p> <ul style="list-style-type: none"> <li>• For those considering entering the Tourism Industry there is the one day <b>Tourism Awareness Session</b>. At least four awareness sessions were held in each of the six regions annually. (Approximately 480 entrepreneurs attended the awareness programme.)</li> <li>• For those starting their tourism business, there is the one-day <b>Beginners' Session</b>. At least two awareness sessions were held in each of the six regions annually. (Approximately 300 entrepreneurs attended this beginner's programme.)</li> <li>• For survivalist businesses, struggling to make a profit there is the 6-month (8 session) <b>Intermediate Training Programme</b>. An Intermediate Training Programme, comprising of eight sessions, over six months was held in each of the six regions. (104 entrepreneurs were part of the Intermediate programme.)</li> <li>• For established businesses, trying to break into the mainstream, there is the 6-month (8 session) <b>Advanced Training Programme</b>. Due to the limited number of entrepreneurs at the established level during 2004, two programmes were run for all entrepreneurs in the Province during this period. (Approximately 39 entrepreneurs are part of this programme.)</li> </ul> <p>Progress was monitored as follows: Service Level Agreement with the service provider; Memorandum of Agreement signed with the Municipality; monthly meetings; and site visits.</p>
Municipalities (Central Karoo)		300,000		300,000	60,000	Please refer to ** above

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Municipalities (Eden)		180,000		180,000	80,000	Please refer to ** previous page.
Municipalities (Overberg)		180,000		180,000	80,000	Please refer to ** previous page.
West Coast Business Development	100,000			100,000	100,000	Please refer to ** previous page.
CTRU (Entrepreneurship Programme)			140,000	140,000	140,000	Please refer to ** previous page.
Municipalities (West Coast)	100,000	100,000		100,000	100,000	The ITDF identifies three provincial Gateways into the Province. One of the Gateways is the Cederberg Gateway, which will be situated in van Rhynsdorp. DEAT appointed Liebenberg & Stander to develop a feasibility study and business plan for the project. The project has been short-listed by DEAT to receive R1,2 million for infrastructure development. The Department, together with the West Coast District Municipality, appointed Liebenberg & Stander to develop a development plan, which has since been completed. The project is fully supported by Cape Town Routes Unlimited, the West Coast Regional Tourism Organisation and Matzikama Municipality. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.
South Cape Business Centre				100,000	100,000	These funds were rolled over from the previous financial year and were utilised for the implementation of the Tourism Business Training Programme. Progress was monitored as follows: Service Level Agreement with the service provider; Memorandum signed with South Cape Business Centre; and quarterly site visits.

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CTRU (Tourism Showcase)			130,000	130,000	130,000	The Cape Tourism Showcase was successfully held for the third time in 2004, with 114 businesses able to gain market access. Progress was monitored as follows: Service Level Agreement with the service provider; Memorandum of Agreement with CTRU; and visits by the Department's staff.
CTRU (Schools' Competition)			100,000	100,000	100,000	The Department, in partnership with CTRU and the Airports Company South Africa, officially launched the fourth annual schools' competition in the Province. The main aim of the competition is to create tourism awareness and to promote a tourism culture amongst learners. This year's competition requires learners to produce a work of art promoting their town or region as a destination. The closing date for the competition is 20 May 2005. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.
Municipalities (West Coast)		20,000		20,000	20,000	Funding to the amount of R20,000 was transferred to the West Coast District Municipality for the design and erection of Tourism Road Signage. This coincides with the development of the Gateway in van Rhynsdorp. Signage is required for both the N7 and R27. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.



Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Municipalities (Cape Winelands Municipality)		20,000		20,000	20,000	Funding to the amount of R20,000 was transferred to the Cape Winelands District Municipality for the upgrade and erection of Tourism Road Signage at the Kogmanskloof Rest Area near Montagu and surrounding areas as part of the Route 62 development. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.
Municipalities (Central Karoo)		60,000		60,000	60,000	Funding to the amount of R60,000 was transferred to the Central Karoo District Municipality for the drafting of a policy document and guidelines by Consulting Engineers to regulate the erection of Tourism Road Signage in Beaufort West. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.
Municipalities (Overberg)		100,000		100,000	100,000	Funding was transferred to the Overberg District Municipality for the relocation of the Napier Tourism Information office. The initiative is fully supported by the Overberg Regional Tourism office and the Agulhas Municipality. Funding was also utilised for the appointment of consulting engineers to assist with the drafting of guidelines on the development and implementation of 3 tourist routes in the Overberg. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Airports Company South Africa	80,000			80,000	80,000	The Airports Company South Africa hosted the second International Airline Destination Conference at the CTICC in September 2004. The purpose of the conference was to create a platform for industry stakeholders to debate challenges facing the Southern African Region. About 300 delegates from different international airlines attended this conference. Progress was monitored as follows: senior management attended the conference; and a report documenting the outcomes was received.
Cape Africa Platform	100,000			100,000	100,000	The Cape Africa Platform is a Section 21 Company that aims to provide a platform for contemporary African culture and to promote greater cultural cohesion within the Western Cape, South Africa and the rest of the continent. Funding was utilised for the development of a business plan and marketing strategy; to host a cultural development workshop; and to conduct a cultural mapping exercise. Progress was monitored as follows: Memorandum of Agreement; and report received.
	150,000			150,000	150,000	

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CPUT	200,000			200,000	200,000	R200,000 was transferred to CPUT for the training and mentoring of 22 HDI tourist guides. The tourist guides were sourced from all the districts of the Province and were accommodated in Cape Town for the duration of the training period. Progress was monitored as follows; Memorandum of Agreement; site visits; quarterly reports; meetings; and financial information was provided.
Breedekloof Wine and Tourism (Bursary Fund)	90,000			90,000	90,000	The Department, in partnership with Breedekloof Wine and Tourism, the Winelands District Municipality and the University of Stellenbosch, established a Wine Technology Bursary Fund for historically disadvantaged students. The main objective of the scheme is to promote access to the wine and wine-tourism fields of study for undergraduate students. Five full-time bursaries were awarded to students who were financially challenged, but had excellent academic results. Progress was monitored as follows: Memorandum of Agreement; and reports.

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CTRU (Access to the Cape)			130,000	130,000	130,000	Access to the Cape is a provincial campaign aimed at creating opportunities for marginalised communities to explore and experience tourism attractions and products in the Western Cape. Launched in September 2004 during Tourism Month, the programme benefited and enriched the lives of more than 2 300 historically disadvantaged individuals. The target groups for this initiative included youth, schools, people with disabilities and shelters for abused and neglected children. This initiative was made possible through a strategic partnership between the Department, CTRU, and a host of private sector partners.
CTRU			20,032,000	20,032,000	20,032,000	The Western Cape Tourism Act, (Act 1/2004), makes provision for the establishment of the Destination Marketing Organisation now trading as Cape Town Routes Unlimited. In accordance with the Act, CTRU has signed a Memorandum of Agreement, which allowed the Department to provide funding to CTRU in four tranches, subject to an approved business plan. The Department has successfully managed the administration and payment of the four tranches in accordance with the Memorandum of Agreement and the PFMA. Progress was monitored as follows: Monthly meetings with the CEO; quarterly reports received; annual report received; and a seat on the board
<b>Tourism Sub-total</b>	<b>1,640,000</b>	<b>1,510,000</b>	<b>20,532,000</b>	<b>23,682,000</b>	<b>23,242,000</b>	

Programme 4: iKapa eliHlumayo						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
iKapa eliHlumayo (SALRI)	600,000			600,000	600,000	SALRI is responsible for implementing the Cape Town Fashion Festival. It is an annual event in which the Department plays an active role. Full financials have been received from the organisers.
Tooling Association of SA	200,000			200,000	The full amount has been transferred, with 180,000 utilised to date.	TASA is the main body promoting the tooling industry in the region. TASA provided quarterly reviews of progress made on the project.
WESGRO			500,000	500,000	500,000	Funds were shifted from Goods and Services to fund an Investment Programme, run in conjunction with WESGRO, to assist in the creation of 300 jobs directly and approximately 250 jobs indirectly over a five-year period. Progress was monitored as follows: Memorandum of Agreement; progress reports; and reporting through the WESGRO board meetings.
Cape Film Commission Development Fund	250,000			250,000	250,000	The fund was established to assist emerging film-makers and support industries with training and development. Progress was monitored as follows: Signed Memorandum of Agreement with the Film Commission; attendance at monthly meetings; and a seat on the board of directors.
National SMME Fishing Forum	200,000			200,000	200,000	An amount of R200,000 was transferred to the National SMME Fishing Forum to assist the organisation in providing training, skills development and capacity building projects to the previously disadvantaged fishers and communities trading in the fishing industry. Progress was monitored as follows: Memorandum of Agreement; quarterly reports; and financial statements provided by the organisation.

Programme 4: iKapa eliHlumayo						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Cape Town Peace Plan	178,000			178,000	178,000	Cape Town Peace Plan is a community project, which places unskilled or low-skilled youth from the Manenberg and Gugulethu areas in jobs for a period of 3-months or more. A target has been set for the placement of 500 persons. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.
Cape Craft and Design Institute (CCDI)	180,000			180,000	180,000	CODY was requested by the Department to manage a craft mission to Scotland and the UK, which was successfully managed. Full reports have been received.
<b>iKapa eliHlumayo Sub-total</b>	<b>1,608,000</b>		<b>500,000</b>	<b>2,108,000</b>	<b>2,088,000</b>	
<b>Transfer Payments TOTAL</b>	<b>7,148,000</b>	<b>2,610,000</b>	<b>69,482,000</b>	<b>79,240,000</b>	<b>61,556,453</b>	



## 2.6 Capital investment, maintenance and asset management plan

### Asset Management

In acquiring moveable assets, the following is taken into consideration: the usefulness or economic life span; the achievement of departmental objectives, and alternative measures of achieving the departmental objectives.

At the end of the 2003/04 financial year, the Department had the following assets:

Furniture and office equipment	R411,000
Computer equipment	R1,260,000
Other machinery and equipment	R16,000
Transport	R1,008,000

During the 2004/05 financial year the following additions were made:

Furniture and office equipment	R265,000
Computer equipment	R706,000
Transport	R529,000

An amount of approximately R15,000 was generated with the disposing of computer equipment, furniture and office equipment.

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

The assets' records are updated on a daily basis; taking into consideration all relevant factors.

### The condition of the Department's capital stock:

50 % good condition  
40 % fair condition  
10 % bad condition

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

Major maintenance projects have not been undertaken during the period under review. Assets are maintained according to the manufacturer's service book and as required.

### Facilities that were closed down or down-graded during the period under review

The Branch: Knowledge Economy & E-Government was transferred to the Provincial Government Western Cape (Department of the Premier).

The Ministry of Tourism was amalgamated with the Ministry of Finance and Economic Development. The assets of the Ministry of Tourism, valued at R1,308,000, were transferred to the Provincial Treasury, Department of the Premier and the Office of the Director General.

### Projects that will be carried forward to the following financial year

A service provider, Logistics Technologies, has been appointed to assist the Department with the bar-coding of the assets and updating of the assets register according to generally accepted accounting practices and Treasury instructions.

### New projects that will commence in the forthcoming financial year

Assets will be purchased for the Department due to the restructuring of the Department, and when an asset reaches the end of its lifespan or when an asset is unserviceable.

## Process in place for the tendering of projects

The tendering of projects is dealt with in accordance with the relevant legislation, Treasury Practice notes and Accounting Officer's System for Supply Chain Management. A Departmental Bid Committee (DBC) has been appointed to check and recommend bids to the Accounting Officer for approval. An Evaluation Bid Panel/Committee evaluates and adjudicates bids, and then submits the bids to the Accounting Officer via the Departmental Bid Committee.

## 2.7 Programmes

### Programme 1: Administration

#### Purpose

The aim of Programme 1: Administration is to conduct the overall management and administrative support of the Ministry, the Department and the respective main divisions within the Department.

#### Service delivery environment

##### Sub-programme 1.2: Corporate Services

As a corporate support function, Corporate Services provides an essential service for the achievement of the Department's strategic deliverables and includes the provision of in-house services for the financial and human resource management of the Department in its entirety. In addition, the following components provide support to the Office of the Head of Department, and to the Department as a whole in the following areas: Communications and Corporate Image Management and Research Support and Impact Evaluation.

Corporate Services has the following units:

- Financial Management
- Human Resource Management and Support Services

The **Financial Management** unit includes the following components:

- The Management Accounting component administers all aspects of budget management, and revenue and expenditure control.
- The Internal Control component manages all aspects of Risk Management, and the formulation of financial policy and controls.
- The Supply Chain Management component is responsible for the purchase and safeguarding of all assets, and procurement (including the tender processes).
- The Departmental Accounting Services' component renders payments to service providers, and provides an accounting function to the Department.

The **Human Resource Management and Support Services** unit includes the following components:

- The Personnel Management component is responsible for employment and service conditions administration.
- The Labour Relations and Transformation component manages labour relations matters and relations between the Department and the workforce.
- The Human Resource Development component is responsible for the planning and administration of developing the workforce.
- The Support Services component provides administrative support services, such as a messenger service, a receptionist service and the registry.
- Corporate Services also played a pivotal role in the restructuring process that took place in the Department during the financial year. Services provided included the drafting of cabinet submissions, costing, staff re-organisation (matching and placing exercises), and liaison with other relevant provincial departments in order to have the restructuring approved.
- Specific components within Corporate Services also provide services to external clients (for example, Higher Education Institutions – with regard to the Internship Initiative).



Yumnaa Firfirey, Deputy Director: Tourism Enterprise Development

More news from within the Department... The story below was written for the Department's internal newsletter:

## In touch with your intuition

For those of us that still feel that our parents parental guidance can be a bit overbearing or too much, here is a story of a father's intuition and protection that paid off in a great way.

Yumnaa Firfirey was on holiday from 22 March 2005 when she got the news that she had to act as Chief Director: Economic Sector Development from 30 March 2005 to 01 April 2005 and that she had to attend a MIPTECH meeting in Sandton on 30 March 2005. She obliged and proceeded with the arrangements.

Yumnaa arrived in Johannesburg on 30 March 2005 and collected the hired Toyota Tazz. In the meantime her father, Abdulla Firfirey came to the airport to surprise her. He drove all the way behind her to her meeting in Sandton and saw her off. Later that day when he came back to meet her, he saw that someone was reversing the vehicle. A chase followed and luckily the car was recovered without any injuries to her father.

This shows that parental intuition can still be valuable and that our own intuition should also not be underestimated. There is often that nagging voice inside of us guiding us to the right thing to do.



*The OHS committee comprises of Patricia Wyngaardt, Zubeida Ben, Mark Sullivan, Mandisa Nompunga, Romeo Adams, Simone de Wet and Khaya Mahanjana. Middle row: Nashreen Albertus and Melanie Pienaar. Front row: Toufeca Gamielien and Lucinda Boniface . Absent: Moyra Dick.*

The purpose of the Occupational Health and Safety (OHS) committee is to administer the Occupational Health and Safety Act, Act No. 85 of 1993, and to ensure that the Department complies with the provisions of the Act in providing a healthy and reasonably safe environment in the workplace that is reasonably safe and without risk to the health of his/her employees.

In order to ensure compliance the Department appointed an official to, amongst other responsibilities, co-ordinate and deal with the administration of all health and safety-related matters within the workplace.

In 2004, six OHS representatives were elected, completed the relevant training and were officially appointment, in writing, by the Head of the Department. Furthermore, Fire Marshalls were sent on a Basic Fire Fighting course.

The Departmental OHS committee meets on a monthly basis to discuss matters of health and safety and make recommendations to management.

## Overview of organisational environment

### Sub-programme 1.2: Corporate Services

Corporate Services provides in-house services to ensure the efficient, effective, and economical management of the Department, which is essential for the achievement of the Department's strategic deliverables.

To meet the demands of pressures placed on the **Financial Management** unit in providing financial services to the Department, a number of new appointments were made. In the reorganised structure, the staff establishment was increased from 10 to 29 persons. A total of 16 vacant positions still exist in the component.

The structure of the **Human Resource Management and Support Services** unit during this reporting period has proved to be inadequate for service delivery. This has resulted in:

- Contract staff being appointed to address the limited human resources available.
- Staff from other components within the unit to assist where needed.

During this reporting period only a limited number of permanent staff could be appointed in the Human Resource Management and Support Services unit due to the limited number of existing vacancies. Even with a full complement of permanently employed staff, the unit experienced some challenges with regard to service delivery, due to the insufficient number of established posts. In the reorganised structure, the staff establishment was increased from 10 to 26. A total of 14 vacant positions still exist in the component.

### Measurable objectives

The programme had the following objectives for the 2004/05 financial year:

- To provide the overall management, administrative and functional support to the Office of the Provincial Minister of Tourism.
- To provide effective and efficient financial, human resource and executive management support to the Department.

## Service delivery objectives and indicators

### Sub-programme 1.1: Office of the Provincial Minister: Tourism

The Ministry, created in the 2003/04 financial year, was dissolved after the National and Provincial elections that took place in April 2004. The Ministry responsible for Tourism was subjected to a ministerial portfolio shift from the Department of Economic Development and Tourism to the Provincial Treasury.

### Sub-programme 1.2: Corporate Services

The 2004/05 financial year for the Corporate Services sub-programme, successfully created in the 2003/04 financial year, has been a year of consolidation with regard to key functions.

**Financial Management** has focussed on the filling of vacancies within the unit to meet the demands of an efficient, growing and successful Department. Achievements in the 2004/05 financial year include:

- the successful tabling of the Department's budget and strategic plans;
- the compilation of a Financial Manual governing all financial aspects pertaining to the Department;
- the implementation of the Accounting Officer's Supply Chain Management System; and
- the successful management of departmental funds to guide the Department to a saving of below 1% of the Voted Budget.

**Human Resource Management and Support Services** was instrumental in providing strategic advice, leadership and guidance during the restructuring process undertaken by the Department. The unit has shown significant achievements in:

- the filling of vacant posts within the Department to above the 77% filled mark;
- the minimising of disciplinary action taken within the Department; and
- the implementation of a records management system.

## Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Office of the Provincial Minister</b>	Ensure advisory, secretarial, administrative and office support to the Provincial Minister of Tourism.	Fully operational office of the Minister.	100%	The Office of the Provincial Minister of Tourism was dissolved as from 01 June 2004, as a result of the cabinet reshuffle after April 2004. Funds were shifted to Vote 9: Environmental Affairs and Development Planning via the Adjustment Estimate Process. The Ministry was relocated to Vote 3: Provincial Treasury.
<b>Corporate Services</b>	Provide strategic direction and effective management of the Department.	Development of departmental policies and guidelines.	Continuously	The Programme has developed a substantial guide pertaining to Financial and Corporate Management issues. This Financial Manual was developed in consultation with all relevant managers within the Department and was aligned to other National and Provincial Norms and Standards.
		Submission of the Department's Strategic Plan and Annual Report	Continuously	During the 2004/05 financial year the Department underwent a process of restructuring that would allow the Department to best meet the demands facing the economy of the Western Cape. A comprehensive 5-year Strategic Plan and 3-year Annual Performance Plan was compiled and submitted to the Provincial Legislature and Provincial Treasury on 30 March 2005.
	Ensure sound financial management.	Compliance with annual budget circulars issued by the Provincial Treasury.	100%	Development of a substantial Financial and Corporate Management Guide.
		Competent financial component.	100%	All functions regarding financial management has been taken over by the Department. The Financial Management unit has implemented sound administrative structures with regard to Budget Management, Internal Control, Financial Management and Supply Chain Management.
		Compliance with the Supply Chain Management Framework.	Daily/Continuously	The Department has established an Accounting Officers Framework to govern all Supply Chain Management issues relating to the Department.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Corporate Services</b>	Render a transversal Human Resource Management service to the Department and the Ministry	Review and monitor the implementation of HR policies and plans to ensure effective service delivery.	Annually	<p>This section provides a brief description on the progress made. Please refer to <b>Part 5: Human Resource Management</b> in this annual report, for a more detailed description.</p> <p><b>Personnel Management</b> At the end of the reporting period 77.4% of the vacancies were filled permanently. Certain vacancies were filled with contract staff, due to the reorganisation of the Department.</p> <p><b>Human Resource Development</b> The processes of identifying human resource development needs and facilitating the delivery of interventions to address these needs were completed as part of the development of the Department's Workplace Skills Plan. A Quality of Worklife initiative was also introduced, which aims to enhance the total work experience of ALL staff members.</p> <p><b>Labour Relations and Transformation</b> Minimal disciplinary action was taken by the Department. However, there was an increase in declared disputes, when compared to the previous reporting period. Also, the Department facilitated information sessions and VCT on HIV/Aids.</p> <p><b>Support Services:</b> Implementation guidelines were drafted for: 1. Records management 2. Filing system The guidelines will be implemented in the next reporting period.</p>



## Programme 2: Enterprise Development

### Purpose

The aim of Programme 2: Enterprise Development is to grow key sectors in the regional economy to ensure competitiveness, employment, small business development, black economic empowerment, the geographic spread of economic activity, and to ensure a fair business environment.

Enterprise Development is structured to focus on the core elements of the Micro-economic Development Strategy (MEDS) and the objectives of iKapa eliHlumayo, as follows:

#### Sector-based interventions

A strategic plan for each targeted sector and sub-sector of the Western Cape economy should be developed and should indicate what major interventions are required to achieve the objectives of iKapa eliHlumayo. In the light of the Provincial Growth and Development Summit's (PGDS) Framework Agreement, a key focus will be competitiveness to ensure that the economy retains and increases output and employment.

#### Theme-based interventions

Transversal equity and development themes to generate greater participation in the economy (BEE, women, youth, and geographic spread of economic activity) and more economic activity (co-operatives and community based projects).

#### Enterprise development

A significant part of this programme focuses on enterprise development within the following three major programmes:

- Enterprise Enhancement – identifying and assisting existing enterprises to make them globally competitive and to ensure their sustainability and growth.
- Enterprise creation – addressing ownership issues and focussing on the lack of opportunities for the resource poor.
- Development of modern co-operatives – offering the opportunity for teams of skilled individuals to form and occupy created enterprises.

## Service delivery environment

### Sub-programme 2.1: Business Regulation

The Sub-programme: Business Regulation provided its service delivery in the following units:

- Business Licensing, which largely consists of the Liquor Board and measures relating to the reduction of the harmful effect of the liquor trade.
- The Office of the Consumer Protector, which is responsible for the provision of consumer protection services.

During the financial year, the sub-programme: Business Regulation was responsible for service delivery to the public through its liquor licensing and consumer protection units. In both units, the key performance targets for services to the public were largely met and exceeded. Due to capacity challenges, problems were experienced in the promulgation of legislation and regulations required to enhance service delivery. Through concerted efforts, the responsible managers and support personnel largely overcame these challenges.

A roll-over of funds did not take place from the previous financial year, however, an amount of R390,000 of the Department's own revenue became available due to an over-recovery of liquor licence fees.

### Sub-programme 2.2: Industry Development

The Industry Development sub-programme did not experience any particular problems in the roll-out of its programmes and projects, as the programme provides few direct services to the public. Its main achievements were to strengthen the sector bodies during the year, and to actively drive key projects within the sectors.

### **Sub-programme 2.3: Economic Development Co-ordination**

Within the **SMME Development** unit, the 2004/05 financial year commenced with the development and initial implementation of the Real Enterprise Development (RED) Initiative. The RED Initiative, aligned to the Department's Micro-economic Development Strategy (MEDS), focused on the following key elements to ensure a credible small business strategy:

- convenient access points for small business support;
- co-ordination of small business support service providers;
- improved access to finance;
- access to business opportunities;
- access to training and skills development; and
- infrastructure and trading sites for small businesses.

The RED Initiative was given impetus by the launching of the **dti's** Small Enterprise Development Agency (SEDA) during the last quarter of 2004. This significant event has seen the Western Cape emerge as a front-runner in the roll-out of the national small business strategy. In addition, the Province's adoption of the RED Initiative has been reinforced, with the Department being ideally positioned to fully access national government support for small business.

The RED Initiative has successfully laid the foundation for integrated and well co-ordinated measures, which result in real impact on the number of businesses started, expanded and sustained. In reaching out to aspiring and existing entrepreneurs, the RED Door one-stop-shop business advice and support centres in Khayelitsha and Mitchell's Plain assisted a significant number of entrepreneurs. The Business Place (located in the Cape Town CBD), a partnership between the Department, the City of Cape Town and Investec, continued exposing people to entrepreneurship and encouraging people to participate in business development and entrepreneurship events. Besides the direct provision of business advice and information to entrepreneurs, more than 155 entrepreneurs (start-ups and existing) were assisted with access to finance through the iKapa/ABSA Funding programme.

The **Local Economic Development** unit has delivered on a more focused strategy, which has resulted in an expansion of service delivery areas and the implementation of suitable and relevant initiatives to address meaningful local economic development. The promotion of enterprise development to impact on HDI ownership and the geographic spread of economic activity in the Province is a core service delivery area. In LED, this was expanded to address far more effective engagement and support to local municipalities which are on the frontline of joblessness. Increasing the capacity of municipalities to achieve and provide an environment for economic development was critical. Furthermore, the Local Economic Development unit started building on the process of what the development of the Micro-economic Development Strategy (MEDS) would mean to local government – by unpacking to municipalities the kind of assistance that can be provided in the formulation of LED strategies and plans through a comprehensive economic baseline study.

The fledgling component of the **Economic Empowerment** unit, although staffed by one person, began immediately exploring and researching economic empowerment as a cross-cutting intervention. Consultations and discussions were held with a broad range of stakeholders which included women, youth and the disabled. In a short period, the unit successfully negotiated and co-ordinated empowerment deals that assisted in retaining a significant number of jobs, and also enabled the targeted groups to participate in the mainstream of the economy. The demand for the services of this unit was boosted by the BBBEE Act that was legislated during January 2004; the release of the New Codes of Good Practice covering all areas of Black Economic Empowerment; and the alignment of the BBBEE Act with the Preferential Procurement Act.

Economic Development Co-ordination also facilitated and implemented a few pioneering projects with municipalities, which have increased black ownership, women's participation, and greater economic participation. Finally, Economic Development Co-ordination proactively created greater awareness and provided better access to citizens of the Province on the offerings of the government in respect of economic development issues, support programmes, and benefits.

## Overview of organisational environment

### Sub-programme 2.1: Business Regulation

The ability of the sub-programme: Business Regulation to deliver services was restricted by a delay in the approval of the White paper on Liquor Licensing by the Cabinet. The delay meant that the draft provincial liquor legislation could not be introduced to the Provincial Parliament. The delay in the introduction of the legislation has caused further delays in finalising ancillary projects relating to capacity building and to development of the envisaged structures. The first draft of the legislation was finalised within the financial year and its approval by the Cabinet and introduction within the Provincial Parliament is expected within the second quarter of the next financial year.

The provincial Consumer Regulations were delayed as a result of capacity issues within the Office of the Consumer Protector. A concerted effort by the manager and supporting personnel ensured the completion of the provincial Consumer Regulations before the end of the financial year. The provincial Consumer Regulations have been submitted for certification and approval, and will become operational within the first quarter of the next financial year, which will allow the Consumer Tribunal to become fully operational.

### Sub-programme 2.2: Industry Development

The sub-programme: Industry Development underwent a major restructuring, which saw the tourism and sector development portfolios being merged; new functions being created; and new budgets being assigned. An interim Phase 1 structure was implemented, with a view to enter into a Phase 2 as soon as budgetary and human resource limitations allow. This was certainly a difficult period for employees particularly in the sector units, with a number of employees choosing to move to new portfolios. In addition, a number of acting appointments were made, with employees having to report to a number of different managers over the year. As a result of the restructuring process, all new

appointments were put on hold during the year, which meant that the vacancies, especially in the sector units, were at a particularly high level by the end of the year. This led to senior managers having new functions in addition to their existing functions, which resulted in added pressure to deliver fully on core functional areas and pressure was placed on middle management.

### Sub-programme 2.3: Economic Development Co-ordination

The Micro-economic Development Strategy (MEDS) provides a clear indication of the strategically focused role that Economic Development Co-ordination needs to have in order to significantly impact on economic development in the Province. This resulted in an immediate focused expansion of the sub-programme's activities, with a clear emphasis on increased economic participation being realised in the Province. Economic Development Co-ordination has reorganised its structure and broadened its areas of responsibilities. The sub-programme experienced limitations in both human and financial resources, as a result of the Department's restructuring process. Despite these limitations, Economic Development Co-ordination managed to proactively ensure that synergies were established and that partnerships were built to give momentum to the economic development initiatives.

## Measurable objectives

### Sub-programme 2.1: Business Regulation

The measurable objective of the sub-programme: Business Regulation during the financial year was to provide a more effective regulatory framework that provides for equity and predictability in the business environment within the Province.

## Sub-programme 2.2: Industry Development

The measurable objectives of the sub-programme: Industry Development are the effectiveness and sustainability of the not-for-profit sector bodies, and the number of key interventions carried out by the sector bodies. The measurable objectives of the Workforce Development unit include the degree of participation by organisations in the Learning Cape Festival, and the level of buy-in with regard to strategies developed by the Department.

## Sub-programme 2.3: Economic Development Co-ordination

Economic Development Co-ordination aimed to increase the pace of growth and development by removing obstacles to competitiveness, economic efficiency and equity. The focus areas were: growth, competitiveness, employment, small business development, black economic empowerment, and a more equitable spread of economic activity across the Province. Underpinning this is the co-ordination across sectors, between government departments, between social partners, and within the Department. In doing so, Economic Development Co-ordination is able to promote the broad approach of iKapa eliHlumayo in pursuing the systematic reduction of employment and income disparities in the Western Cape through enhanced economic activity.

## Service delivery objectives and indicators

### Sub-programme 2.1: Business Regulation

In the **Business Licensing** unit the delay in the approval by the Cabinet of the White Paper on Liquor Licensing resulted in the unit not submitting draft liquor legislation to the Provincial Parliament. Related targets dependant on the legislation, such as the establishment of the envisaged structures, capacity building within the structures, and training programmes for sellers of liquor, were consequently not achieved. In anticipation of the approval of the liquor policy, efforts were

made to draft liquor legislation to reduce the impact of the delay and consequently with the approval of the White paper on 16 March 2005, Business Licensing was able to distribute the first draft of the liquor legislation to other Departments and stakeholders for comment.

The **Liquor Board** met its target for the number of applications considered and its enforcement personnel met their target of complaints attended to.

The project relating to the prevention of foetal alcohol syndrome proved a success and the number of learners reached exceeded the target. The Department also received the study relating to the effect of bulkwine in unsuitable packaging on the rural population and reached an agreement with the wine industry on the phasing out of the undesirable packaging of products through a system of norms and standards.

The **Office of the Consumer Protector** did not achieve its target of operationalising the Consumer Tribunal, largely due to a delay in the promulgation of consumer regulations in terms of the Consumer Affairs (Unfair Business Practices) Act, No 10 of 2003. The delay was partly caused by capacity constraints within the unit and by administrative oversight when the draft regulations were submitted to the State Law Advisor for certification. The regulations were eventually submitted during the last quarter of the financial year and will be approved in the following financial year.

The Office of the Consumer Protector exceeded its targets relating to public information and awareness of consumer related issues largely due to the adoption of well-considered strategies and the use of appropriate methods of communication. Other regulatory bodies and sector specific organisations were engaged to participate in departmental initiatives, thereby maximising the number of consumers reached. The optimum number of non-government consumer advice offices have been funded, with the target number having been reached during the financial year. Past constraints regarding the effectiveness of the advice offices have been addressed through training programmes to ensure capacity building in the management and service provision of the offices.



Senior citizens are well represented at a Consumer Rights Day workshop at Bonteheuwel multi-purpose community centre on 21 March 2005.

## Office of the Consumer Protector Consumer education: Teaching people money-saving skills

The Office of the Consumer Protector (OCP) is not only there to protect the public from faulty products, bad service or shady dealings. Pro-actively the OCP educates the public and other stakeholders about their rights, and also holds outreach programmes for a more informed consumer. One of these programmes was to bring money saving advice to those who most need it, namely low income consumers. The OCP persuaded Bankseta's Micro-Finance Skills Project (MFSP) to fund a savings advice programme province-wide. OCP advice offices, including the rural areas, were used to run 130 workshops on debt, saving, budgeting, and accounting. The overwhelming success of this programme resulted in the Bankseta giving the OCP R200,000 to conduct similar workshops in 2005/06. This is twice the amount given to other provinces and is a reminder to us that we are working to give effect to our motto: "An informed consumer is a satisfied consumer!"

...and continuing with its consumer outreach, the OCP is publishing *The Clever Consumer - A consumer pocket guide* packed with information: 160 pages; 93 consumer topics; full colour; and contact details for all the regulatory bodies where consumers can complain. Small enough to fit into your shirt pocket!

The Office of the Consumer Protector has also improved its own success rate through the optimum use of an electronic complaints management tracking system. The target set for quality and quantity of complaints that had to be attended to, was exceeded.

### Sub-programme 2.2: Industry Development

The delivery objectives and indicators developed within the sub-programme Industry Development relate largely to the performance and impact of institutions managed by the Department. This is in the form of the sustainability, reach and impact of these agents, and the degree to which they have performed. In addition, there are specific indicators, such as the number of organisations involved in the Learning Cape Festival, and the number of discrete projects funded.

### Sub-programme 2.3: Economic Development Co-ordination

Within **SMME Development**, the financial year commenced with the development and initial execution of the RED Initiative. Prior to the launching of the RED Door Initiative, extensive consultations were undertaken with key stakeholders, including municipalities, business, services providers (both NGO and private sector). Key locations were selected in the City of Cape Town and all 5 district municipal areas.

The launching of the first RED Door offices in Mitchell's Plain and Khayelitsha spearheaded the unit's strategy to effect real impact on small business and entrepreneurship. Between the latter quarter of 2004 and the first quarter of 2005, almost 1 700 aspiring and existing entrepreneurs were assisted where more than 40% were women, 30% were youth and 2% were differently-abled. The assistance provided at the RED Door offices with tender applications resulted in entrepreneurs securing tenders to the value of more than R5.2 million. Significant partnerships were forged during this process with Khula-accredited retail financial intermediaries, commercial banks, procurement distributors and regulatory government agencies (for example, SARS).





Litha Kutta, RED Door regional manager, explains to business people visiting the Khayelitsha RED Door office how the RED Door Initiative serves the needs of SMMEs.



Vakele Nobuzana & Thembi Mlonyeni

## Thembi + Entrepreneur = Success!

Thembi Mlonyeni is the RED Door's tender "guru". How else to describe the woman who single-handedly nurtured SMMEs from Khayelitsha, in particular, through the difficult, yet lucrative, tender process to the tune of millions of rands by the end of the financial year. And that was from a starting date of 23 November the previous year. Not bad for four months work! So great has her success rate been that MEC Lynne Brown has publicly lauded her in the Legislature. So great has her success rate been that she is now tasked with training other RED Door managers province-wide on how to navigate the tender process so that their clients, too, can crack this market.

Thembi says her success comes from her long experience in working with SMMEs to achieve sustainability, knowing the market conditions and, crucially, building up a network of lenders and industry stakeholders who take her word when she says a new client is worthy of help. Also, she has built up so much street-cred with her clients that she can call upon them to mentor newer SMMEs going through the tender process for the first time; a feat when one considers the dog-eat-dog business world out there.

Good news stories are the norm for Thembi, but one of the successes closest to her heart involves a young and inexperienced construction worker, Vakele Nobuzana.

Vakele was looking for business advice for his father's faltering construction company because, he said, they were barely sustainable and had never won a tender. The RED Door notice board is filled with tenders and Thembi suggested he pick up the forms for a small job at a school. She then walked him through the application process, showed him where he and his father went wrong in how they completed the forms, and taught him how to develop his business plan. "He came to see me in December to say he had won the tender worth R260,000. He was so proud." The only problem was that the company did not have enough money to cover the cost of materials necessary for the construction. Thembi was concerned enough that she called on a financial institution to help despite JK & Sons CC's limited collateral, and she persuaded a client whom she had helped secure a R1,2 million tender to accompany Vakele to his meeting with Public Works. JK & Sons completed the tender and now Vakele and his father are working on their second tender-won project.



## 100 Enterprises Incubation Programme

The 100 Enterprises Incubation Programme actually consists of 114 Enterprises, because that's how many applicants were accepted into the programme despite the initial capping at 100. This R1,5 million year-long pilot programme was launched on the steps of the Provincial Legislature in September 2004 as a direct outcome of the Provincial Growth and Development Summit (PGDS) that identified a provincial need to create an integrated and user-friendly system of services to small, micro and medium enterprises (SMMEs) and co-operatives throughout the Western Cape. The ultimate aim of the project is to assist in the generation of sustainable enterprises that can successfully operate within a globally competitive environment. Participants range from Nomvuyo's Tours at the V&A Waterfront to Arendse Bouers in Oudtshoorn to Nikita's Cleaning in Vredenburg.

Individual enterprises were studied by the National Productivity Institute (NPI), which then developed a list of key interventions in support of sustainability. Enterprises were also clustered for easier access to assistance. Since January 2005 each enterprise has had a personal mentor to help implement the NPI's recommendations. Come September 2005 the NPI will undertake a second study of the 114 enterprises to determine how its recommendations were implemented and what impact this has had on the success rate. Success of The 100 Enterprises Incubation Programme will form the basis for other SMME initiatives run through the Enterprise Development unit. However, the Enterprise Development unit can report that teaching enterprises how to negotiate for better terms, for example, has made the difference from moving out of the red or staying in the black. Indeed, a participating enterprise has secured sole provider status to a major enterprise provider to the airline industry.

A key mandate of Enterprise Development is to spread the reach of iKapa eliHlumayo through targeted assistance to women, youth, disabled and rural dwellers. While the participation of youth and women exceeded the target, there is recognition that much more must be done to provide the enabling environment that will increase participation rates among the disabled and rural dwellers.



Premier Ebrahim Rasool, MEC Lynne Brown, and HoD Brendon Roberts lead the parade on the steps of the Legislature for the 100-day delivery targets.

Youth:	25%	(target: 30%)
Women:	32.2%	(target: 30%)
Disabled:	2.5%	(target: 4%)
Rural:	17%	(target: 30%)
White male owned:	2 enterprises	
White female owned:	7 enterprises	

Providing real business opportunities and linkages was driven by partnerships with NGOs, other government departments, and commercial banks. The partnership with the Business Opportunities Network ensured that tender advice and assistance was available in the Cape Town CBD, Khayelitsha, Mitchell's Plain, and the Cape Winelands municipal area. More than 400 tenderees were assisted in accessing tenders and business-to-business linkages. The Department's collaboration with the Department of Public Works and Transport resulted in 14 tender workshops being held across the Province, which provided assistance to more than 300 tenderees. The tripartite programme, *Siphukula*, between the Department of Economic Development and Tourism, the Department of Public Works and Transport and Standard Bank, enabled five emerging black contractors to access significant Public Works tenders.

The iKapa/ABSA programme, providing direct access to finance to "unbankable" entrepreneurs (who were unable to access finance through mainstream banks), meant that 159 emerging entrepreneurs could either start, expand or sustain their businesses. This fund had a positive impact on the "unbankable" market and disbursed a total of R14 million in loan capital. The 159 entrepreneurs were provided with finance and mentorship for a period of at least 24 months. The success of the programme to date has prompted ABSA to consider rolling out similar programmes to two other provinces.



The impact of the pioneering 100 Enterprise Incubation Programme proved successful beyond expectations. The programme assists newly established SMMEs to develop into growing and sustainable businesses. The initial target of assisting 100 businesses was exceeded and 114 small businesses were accommodated. The results of the programme have been impressive, for example:

- a number of businesses were assisted to resolve VAT arrears issues – resulting in huge amounts being saved in penalties;
- proper record keeping systems were implemented with 10% of the group;
- financial feasibility studies (for expansion) were done for 20 businesses;
- many were assisted in negotiating more favourable terms with suppliers moving these businesses from being in the red to being in the black; and
- assistance with costing and sensible pricing resulted in businesses obtaining profitable contracts – with one small business securing a sole service provider contract with a major enterprise in the airline industry.

The trend to combine training, mentorship and other support with real business experience continued with the **Business Beat R1 000 Challenge** and two similar programmes commencing at the launch of the first two Red Door offices. The former programme resulted in 7 out of 10 selected businesses becoming sustainable within 3 months – with an injection of R1 000 start-up capital. On average, these successful businesses maintained a turnover of R4 500 per month. The two programmes attached to the Red Door Initiative are currently underway and already favourable responses are being received by entrants.

Top class training and mentorship programmes were successfully completed involving more than 100 emerging businesses.

With the assistance of the University of Cape Town's Graduate School of Business, participants in this programme secured more than R1,4 million in finance as a result of this intervention.

# The 1000X1000 Challenge

The 1000X1000 Challenge attempts to draw poor unemployed people in the economy through the establishment of survivalist enterprises.

The entry forms have been published in newspapers on a province-wide basis; and are available at RED Door offices and all public libraries in the Western Cape.

## Background

South Africa recently ranked 24th out of 34 countries in terms of entrepreneurial activity. For small business to become the engine of economic growth, a radical effort to stimulate entrepreneurship is required. Our reality is a mismatch of skills of the unemployed and the demands of the modern economy.

With unemployment approaching 0,5 million and limited market success, we had to do something creative and innovative to make serious inroads into hard-core unemployment with regard to the informal sector.

The Department launched the 1000X1000 Challenge on 17 March 2005. This campaign will select 1 000 unemployed persons across the Western Cape who generate viable quick-cash business ideas, and provide them with R1,000 start-up capital and comprehensive business support for a limited period. The one who best uses the R1,000 will receive a further R5,000 towards their new business.

## Objectives

The 1000X1000 Challenge will serve as a RED Door outreach programme and stimulate entrepreneurship among the unemployed and also address the needs of the informal sector.

The campaign will impact on unemployment, since it creates an option to start a business. It will provide comprehensive support to the 1 000 participants and the income levels of the participants will be positively affected. The campaign will also contribute to the 2005/06 National Budget focus on self-reliance and give meaning to iKapa eliHlumayo.

## Key Deliverables

The 1 000 small businesses (every municipality will be represented) will be supported by 200 trained informal sector mentors or business coaches. It is envisaged that 1 000 documented business "recipes" – technical and business aspects – will be available at the end of the campaign, of which 60% will be sustainable businesses.

## Partners

The Department launched the project in partnership with municipalities, Provincial Library Services, NGOs and the private sector.

## Key Project Phases

The project would have spanned several phases by the time the "winners" are announced.

The phases include:

- Project administration and planning.
- Pre-announcement marketing and publicity.
- Announcement by MEC Lynne Brown.
- Intensive marketing/publicity
- Pre-screening of applicants and interviewing.
- Announcement of area and provincial "winners".

Later phases will include:

- Selection and training of hands-on mentors.
- Business plan training for 1 000 "winners".
- Post assessment and analysis.

**BOTTOM:** Alicia Mlokoti, Business Adviser at the Paarl RED Door office, tackling the challenge of creating a database to capture all the information from the thousands of entries received.



**ABOVE:** Widmark Moses works the phone co-ordinating the 1000X1000 Challenge.

The Boland College empowered 20 emerging rural entrepreneurs, who previously completed a course in baking, with business skills (SAQA accredited). These entrepreneurs are well on their way to starting their own businesses of supplying rusks and other bakery products to supermarket chain stores.

Survivalist and micro township entrepreneurs were given a vital lift with the provision of business development workshops in the Manenberg area. A total of 22 entrepreneurs underwent training in the basics of starting and operating a business.

Close to 30 emerging entrepreneurs, including a number of start-ups, participated in a comprehensive 4-month business development programme. This programme, a partnership between the Department, First National Bank and the Cape Chambers, comprised seminars, mentorship sessions and business training. Three of the participants in this programme are now proud part-owners of a charter boat operating from Hout Bay.

The hosting of workshops at hospitals across the Province catered for the needs of the more than 100 differently-abled entrepreneurs. The University of Stellenbosch provided these entrepreneurs, mostly recently disabled through accidents, with excellent entrepreneurship and business training.

The Business Place, a partnership initiative between the Department, Investec and Sekunjalo Investments had a positive impact on business support in the Cape Town CBD. This youth-friendly entrepreneurship centre ensured that more than 1 900 persons participated in business development and entrepreneurship events and more than 3 500 persons were exposed to entrepreneurship.

The availability and access to business information for rural constituencies was bolstered by the establishment of a further eight Library Business Corners (LBCs) in local municipal libraries. A total of 31 rural and 53 Cape Town LBCs are now active providing business information to mostly school-going youth. The rural LBCs have also become convenient venues for business and entrepreneurship workshops.



Some of the businesses and institutions supporting Library Business Corners: SAWEN, Nicro, Cape Mac, Brain, WESGRO, Umsobumvo Fund, and the Department of Labour, at a business forum in Mitchell's Plain in October 2004.

## Enterprise Development

A visit to the public library today can be more than just to browse the books section, read a magazine or newspaper, or borrow a video, CD or DVD. Libraries have become community hubs dispensing usable information in easily identifiable spaces to a far broader public. Library Business Corners (LBC), a Section 21 company co-funded by Provincial Government and the City of Cape Town, uses this ethos to bring its small business-focused initiatives to public libraries province-wide. Using the Library Business Corner model, LBC disseminates business-related posters, books, videos, newspaper clippings, journals, periodicals, brochures, and pamphlets. Librarians are requested to display the material in such a way that it is easily accessible to anyone who walks in. The aim is to keep small business people abreast of their business environment in one of the most accessible venues available to them – the public library. Currently there are 53 LBCs in the greater Cape Town area and 31 LBCs in the rural areas. LBC operates in close partnership with project sponsors, library services, universities, and business communities, thus creating a network spanning the entire Province. LBC also collaborates closely with business development service providers to offer business skills training and networking events in all regions in the Province.



## DIE PLEK PLAN

Die Plaaslike Ekonomiese Plan is aimed at rural constituents, and will steer them to their closest RED Door office so that they, too, have opportunity to get the help they need to take part in the expansion of our economy. In essence, Die Plek Plan will 'parachute' fully trained and equipped staff into municipalities to get high quality local economic development initiatives going in all municipal areas. Die Plek Plan is in line with the twin themes of the Provincial Government: that through iKapa eliHlumayo the Western Cape is a home for all.

Mayors and municipalities have a vital role to play in spreading the word about Die Plek Plan. Their offices will be the first point of contact for enquiries from rural entrepreneurs. Where previously smaller municipalities might have lacked capacity to help or refer small business people, now they have Die Plek Plan and the RED Door. They are encouraged to use this win-win option not only because it will bring economic benefit to their area, but that this in turn will benefit the people and the Province as a whole.

Die Plek Plan was officially launched to local government on 18 March 2005 and was to be introduced to business on 08 April 2005.



Adele-Louise Bothma (Economic Development Co-ordinator) greets Jessica Fortuin of the National Development Agency at the launch of Die Plek Plan.

The annual Small Business Week for this financial year, a collaborative effort between the Department, the City of Cape Town and other private sector partners, proved to be the most successful event since its inception in 2000. Not only was the event visited by more than 1 200 entrepreneurs, but the linkages and networking among small businesses, corporates and government departments resulted in many visitors accessing real business opportunities.

The programme dedicated to assisting small manufacturing businesses and managed by the Cape Manufacturing Advice Centre (CAPEMAC), extended its reach to the South Cape area through the establishment of a satellite office in George. This targeted programme, which combines professional diagnostics by well-qualified staff and expert private sector service providers, notched up more than 300 individual interventions and completed 80 group projects. These interventions have resulted in enterprises ultimately increasing profitability through measures that have resulted in improved production flow and better product design. Also, interventions by the centre have allowed some enterprises to expand production capacity resulting in increased local employment.

In its drive to ensure more effective economic development service delivery at municipal level, the **Local Economic Development** unit has in its second year of financial support provided increased strategic direction to municipalities in terms of the Economic Development Units (EDUs) that were established at district level. Each EDU has been accepted by local council and forms part of the institutional arrangement of the municipalities. In order to deliver on economic initiatives, the municipalities have incorporated the purpose and functions of the EDUs to coincide with other local and national structures (for example, the PIMMS offices).

The Department has strategically extended its role in terms of local economic development by developing a focused programme to assist smaller B-municipalities. A plan to fast track the development of high quality economic development capacity in all interested municipalities outside of the Metro area has been developed. It is called Die Plek Plan (**Die Plaaslike Ekonomiese Plan**). Die Plek Plan has undergone a consultative process and has been met with great enthusiasm from both local government and business. The existing EDUs will be incorporated into Die Plek Plan, and will in this way strengthen the roll-out of the programme.

The Local Economic Development unit has also ensured that consistent economic development support services are offered to municipalities through engagement, assistance, and active

participation in one-on-one sessions with municipalities on economic development issues as part of the IDP process. This process of engagement included the following:

- providing guidance and support in the development of local government's LED strategies;
- assisting in the alignment of national and provincial policy; and
- developing appropriate LED plans, to ensure that sustainable initiatives and projects are implemented.

Technical support and representation, expert advice, business plan evaluations and feasibility studies, are amongst the key service areas. This departmental investment ensured greater efficiency when partnering with municipalities to implement projects and programmes within the IDPs to produce more meaningful local economic development and geographic spread of economic activities.

Previously, the provision of access to support programmes for rural and township communities only occurred through demand driven requests from regions. In this period, the Local Economic Development unit embarked on organised roadshows that comprised a series of workshops throughout the Province. The workshops held with local government and business created awareness, increased participation and assisted in the roll-out of departmental and national support programmes and benefits, for example, the RED Initiative, Die Plek Plan, and Co-operatives development. In order to meet the demand for access to information and/or support programmes and services, the unit responded with expert advice and assistance to requests from across the Province.

The unit engaged extensively in regional development initiatives (for example, ISRDP, URP and Project Consolidate) to ensure practical alignment of departmental programmes with national and provincial objectives, and to ensure that provincial government's spending is optimally maximised.

Local Economic Development supported the development and implementation of pioneering pilot projects from pickled Piketberg jams, to community empowerment in the dairy industry in the Cape

Winelands, to the now famous herbs from the Beaufort West hydroponics herb farm. These community-based projects are supported to ensure that community-owned enterprises emerge, and to stimulate economic and social activity within a local area.

At the Hydroponics herb farm in Beaufort West, with support to the expansion phase of operations, 40 permanent employees and 24 interns have already commenced the planting season in its second greenhouse, with a new refrigerated container being incorporated into the packing facility to accommodate increased market demand. Furthermore, as a subsidiary of the hydroponics company, the essential oils project employed the first 10 people in January 2005.

Supported on a similar model of community-based ownership, Intaba Jams (Piketberg) required assistance with the expansion of production capacity to service sustainable retail markets. Intaba Jams have successfully achieved the following: commenced with building alterations; purchased their first delivery vehicle; and contributed to skills development by providing a four-day training course on the making of jams and jellies to five Beaufort West residents. The nine shareholders of Intaba Jams are preparing to increase their capacity to 30 full-time employees to meet the demands of the new factory, which will open in September 2005.

Finally, Local Economic Development is conceptualising the development of key economic spatial and infrastructure initiatives. This means catalytic mega projects that will stimulate a positive economic climate in line with the growth and development plan for the Province. These projects will be appropriately contextualised (within URP, ISRDP and Project Consolidate), and will realise economic stimulation as a direct outcome. Through regional development strategies and interventions, initiatives that are cross-cutting over municipal borders and boundaries will be supported. The objective is to create larger economic stimulation than might be achieved if done separately and in isolation within the individual municipal regions. A macro perspective is required to determine if the proposed interventions will create economic stimulation. For example, the potential of industrial development areas (IDZ) in the Saldanha Bay and the Mossel Bay regions; and the spatial



## Local Economic Development – Project Consolidate

The provincial launch of Project Consolidate in Grabouw (Theewaterskloof Municipality) was the third phase of the four-phase roll-out of this Presidential initiative. Dignitaries paid a site visit to one of the early deliverable projects - a sewing project in the Rooi-dakkies township in Grabouw.

President Thabo Mbeki, in decrying ongoing, systemic incapacitation of many municipalities 10 years after the introduction of democratic governance, called for all spheres of government to work towards resolving this national ill. Project Consolidate was created to forge a new way of doing things through improved co-operation amongst all spheres of government to achieve common goals ("seamless governance"). It is, furthermore, an extraordinary support initiative to "turn around" underdevelopment and poverty in targeted areas, and aims at improving capacity at the municipal level through support initiatives to ensure sustainable local government.

The President's call for all levels of government to work together for improved service delivery stems from:

- Well documented public dissatisfaction and unrest with uneven levels of service delivery.
- Non-caring attitude of certain government institutions and officials ("business as usual") not contributing towards improved service delivery.
- Lack of understanding by public officials of transformation issues, developmental issues, and national priority issues.
- Lack of understanding of the consequences of continued and increased poverty and unemployment.
- "Turf issues" across government departments in dealing with service delivery matters.
- Lack of understanding of working for the public good (Batho Pele, Ubuntu, Social Capital); also basic economics by government institutions emphasises process rather than impact and outcomes in service delivery.
- Real lack of management and skills capacity at municipalities.

Project Consolidate, therefore, seeks to empower the public through:

- Establishment of functional ward committees.
- Developing delegations and policies, and provide municipalities with "best practice" examples to enhance good governance.
- Increasing access to basic services, finalise the national indigent policy, and



Women of the Rooi-dakkies sewing project

- resolve billing problems among the very poor.
- Enhancing local economies and provide all South Africans with a basic level of service.
- Deepening good governance through improved internal control systems to end corruption.
- Reducing poverty and increase access to basic services for all through harmonious co-operation between all three spheres of government.
- Monitoring increased services delivery through simple PMS's.
- Integrating residential development in opposite to the previous racially-based spatial development.

The Provincial Government's Project Consolidate is tasked with identifying service and poverty "hot spots" at the municipal level, preparation and approval of a Project Consolidate implementation plan and identification of capacity support initiatives, and implementation of the Project Consolidate plan. Project Consolidate is assisting rural Beaufort West, Cederberg and Matzikama, is facilitating job creation for 50 people in a brick making and paving project in Theewaterskloof, and is working to help establish new business ventures for previously disadvantaged

individuals. The Department is tasked with delivering on these by June 2005. The establishment of Die Plek Plan is seen as a practical intervention that will identify economic and business opportunities in these areas linking communities and individuals to job creation opportunities.

In the Western Cape targeted municipalities for special projects and capacity support pilot sites are Cape Town (Khayelitsha & Mitchell's Plain), Matzikama, Cederberg, Witzenberg, Theewaterskloof, Kannaland, Central Karoo District (Laingsburg / Beaufort West/ Prince Albert and DMA:Murraysburg), Rietpoort (DMA: West Coast DM) and De Doorns (Breede Valley Municipality). Municipalities targeted as Anti-corruption pilot sites are Cape Town, Kannaland, Theewaterskloof, George, Langeberg, and Cederberg is targeted as a municipality Billing System pilot site.

To date the Department of Local Government and Housing has assisted in the implementation of certain projects and has established Project Management Units (PMUs) at district municipalities, unblocked blockages on various projects through immediate "unconventional" interventions, established monitoring institutions, secured funding for project management support, capacity support initiatives and certain Project Consolidate projects, finalised early deliverables for Theewaterskloof, Matzikama, Beaufort West and Cederberg, devised unique project management planning and monitoring systems with dedicated assistance from Cape Winelands Municipality, finalised capacity support needs of municipalities, and established a provincial capacity support task team with high profile guardians/co-ordinators such as Prof J Burger (Matzikama & Cederberg), Prof Nic Steytler (Theewaterskloof), and Prof V Taylor (Beaufort West).



Rooi-dakkies in Grabouw.

(municipal) development programmes in the presidential nodes, the URP and the ISRDP. The key challenge over the next period will be the progress made on the development of the key provincial strategies, as this will inform the interventions implemented. As this is a new area of work, human resources and funding have not been allocated.

The significant contributions of the **Economic Empowerment** unit can be grouped into two main areas. Firstly, the extensive partnerships that have been secured with key role-players in the empowerment arena. These include South African Women's Entrepreneurs Network (SAWEN), Business Women's Association, Western Cape Business Opportunities Forum (WECBOF), Khayelitsha Youth Development Forum, and the Office of the Status for the Disabled. Engagement with rural communities in areas such as Vredendal, Montagu, Caledon, the Hex River valley and George also took place.

Secondly, interventions that secured or retained existing jobs and which also led to the empowerment of the targeted groups. These include:

- Novel Garments SA in Atlantis, which faced closure due to the withdrawal of its foreign owners. WESGRO then became the interim owners, and an amount of R10 million was received from the Department to effect the transaction. The Department and WESGRO are in the process of ensuring that ownership is transferred to a BEE partnership.
- TEJ knitting factory also benefited from the unit's intervention which resulted in the factory remaining open and in more than 80 jobs being retained.
- In a boost for women's empowerment, the unit succeeded in facilitating capital of R1 million from the National Empowerment Fund for the Isibane Protective Wear factory.
- In acting as a facilitator in the conflict between Indian and African traders in the Nyanga area, the unit successfully resolved this conflict and initiated a feasibility study to establish a wholesaler in the area.

## Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Business Licensing</b>	Implementation of provincial liquor legislation and the establishment of subsequent structures.	Establishing and operation of proposed structure.	Municipal and SAPS implementation structures fully functional.	Provincial liquor policy approved by Cabinet and first draft of liquor legislation finalised.
			Liquor Board and structures fully functional.	Provincial Liquor Board established in terms of the Liquor Act No 27 of 1989 fully functional.
	Maintaining an effective and socially responsible liquor licensing system.	Increasing the number of licensed premises.	Increase in licences from 5 500 to 6 000.	6 000 licence applications processed.
			Increase to 200.	200 complaints successfully attended to and resolved.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Business Licensing</b>	The development and implementation of a system of education, training and awareness of the sellers and consumers of liquor to reduce the harm associated with the abuse of alcohol.	Establishing and implementing an accredited education and training programme.	Development of curriculum and implementation of training.	Provincial liquor training syllabus completed, legislation not promulgated and training programme not implemented.
		Ensuring that every new licence holder completes the prescribed training.	1 000 new licence holders trained.	
		Implementing measures to reduce the harm associated with alcohol abuse and the sale of liquor.	Research into packaging concluded/ development of measures.	1. Study on packaging completed. Industry agrees to phase out harmful packaging. 2. Programme relating to awareness of foetal alcohol syndrome in Breede Valley expanded.
		Ensuring a general awareness amongst the public of the provincial liquor licensing system and awareness of dangers of abuse.	Public awareness campaign with partners.	Provincial liquor policy consulted with stakeholders.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Business Licensing</b>	Implementation of provincial consumer protection legislation, and establishment and maintenance of subsequent structures.	Resolution of referred consumer complaints by the Office of the Consumer Protector and the Consumer Tribunal.	The measurable objective has been achieved and is subsumed as part of the provision of a complaints network.	The Consumer Tribunal is not yet functional. However, Consumer Tribunal members have been appointed and the Regulations have been drafted.
	The provision of measures for the protection of consumers through the provision of a complaints handling mechanism.	Expand and maintain network of consumer advice offices.	Expanded to 26 advice offices.	Expanded to 28 advice offices.
		Provision of line-functional training to consumer advisors.	Training to own and 6 regional advice offices.	Informal training conducted during visits by OCP staff and in workshops – 3 regions covered.
		Provision of managerial guidance to advice offices, including training.	Advice offices of remaining 2 regions trained, follow-up-training to new or replaced staff in own and regional advice offices.	Chairpersons of all 28 advice offices received human and financial management training.  Continuous on the job training of own and regional advice office staff with assistance of regulatory bodies – all regions covered.
		Maintaining an acceptable quantitative and qualitative level of finalisation of complaints by own staff and advice offices.	Own staff: 50 to 60% resolution rate. Regional advice offices: 40% to 50% resolution rate.	Resolution rates: Own: 65% (within the first month). Regional advice offices: 55% (within the first month).

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Business Licensing</b>	The provision of measures for the protection of consumers through the provision of a complaints handling mechanism.	Identifying, procuring and implementing an appropriate electronic complaints management system.	Implementation of system.	Electronic complaints management system put into operation.
	Raising the level of awareness of the rights of consumers amongst consumers and businesses in the Province.	Public awareness campaign regarding the consumer legislation.	350 000 consumers reached through the mass media.	400 000 consumers reached through the mass media.
		Public education campaign regarding consumer rights.	350 000 consumers reached through the mass media.	500 000 consumers reached through the mass media and workshops.
		Design, produce and distribute consumer education material.	120 000 households reached through mass distribution.	140 000 households reached through mass distribution.
		In co-operation with other stakeholders, particularly the advice offices, participate in localised public education projects and events.	Participate in 5 festivals and 13 – 17 events.	Participated in 4 festivals and in excess of 75 events (including talks, workshops, etc.).



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Industry Development</b>	Funding and leadership of existing and new not-for-profit sector bodies.	<p>Number of sector initiatives actively supported and funded, and combined impact of the sector bodies on KPIs and job creation measurables.</p> <p>Sector initiatives:</p> <ul style="list-style-type: none"> <li>• Cape IT Initiative (CITI)</li> <li>• Cape Biotech Initiative (CBI)</li> <li>• Calling the Cape (CTC)</li> <li>• The Cape Film Commission (CFC)</li> <li>• Clotex</li> <li>• The South African Wine and Brandy Institute</li> <li>• The Cape Oil and Gas Supply Initiative</li> <li>• The Cape Town Boat-building and Technology Initiative (CTBTI)</li> <li>• Cape Craft and Design Institute (CCDI)</li> <li>• The SA Mariculture Initiative (SAMI)</li> <li>• SAPPEX (South African Protea Producers Exporters Forum)</li> <li>• Cape Initiative in Materials in Manufacturing (CIMM)</li> </ul>	11	<p>All the listed initiatives were supported, with eight initiatives receiving funding during the year.</p> <p>The following eight initiatives received funding: CITI, CTBTi, Calling the Cape, the CFC, Clotex, COGSI, the CCDI, and SAMI.</p> <p>The eight funded sector initiatives achieved the following outcomes collectively:  Total PGWC Funding: R12,3 million  Total private sector funding raised: R3,2 million  Total staff employed: 32  Industry events hosted: 190  Numbers attending: 5 293  Size of database: 10 571  SMMEs assisted: 2 155  BEE firms assisted: 1 505  Trade and investment missions received: 45  Jobs created or sustained: 9 665</p> <p>All the initiatives are still fully operational and have provincial government representation on the boards of directors', with the exception of SAPPEX, and the Wine and Brandy Institute.</p>

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Industry Development	Funding sector-based initiatives of a major infrastructural nature: <ul style="list-style-type: none"> <li>Arising from a Provincial Manufacturing and Technology Strategy (PAMTS).</li> <li>Recommended by sector summits arising from the Provincial Growth and Development Summit (PGDS) process.</li> <li>Arising from the Micro-economic Development Strategy (MEDS)</li> </ul>	To fund the identified strategies, projects and technology platforms. At least 3 major projects to be initiated through the process.  Infrastructure: Film studio: Dependent on financial commitment by the project leaders, this funding will be measured by its contribution to ensuring that the project is launched, and that an impact analysis is conducted.	3	PAMTS has identified approximately 10 key projects for intervention. These projects, which include an institute for advanced tooling; a clothing technology centre, and a rapid prototyping centre, will be finalised with the outcomes of the MEDS.
	Increased foreign direct investment (FDI) and trade.	Funding of WESGRO: Value of new investments p.a.  Number of direct jobs p.a.	R1 billion  1 500	The foreign trade component of the Department was outsourced to WESGRO as this function falls directly within the public entities mandate. An "investment pipeline" was developed by the public entity to classify all foreign investors in terms of the following: Committed (substantial expenditure made in the Western Cape). Probable (Western Cape is first choice for investors). Possible (several locations have been shortlisted and the Western Cape is in the top five of these locations). Preliminary (a shortlist has not been prepared, as the investment project is not clearly defined). Lost (investment project has gone to another location or has been aborted). Progress was monitored as follows: quarterly reports; and seat on the board of directors.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target		
			Target	Actual	
Industry Development	Competitive emerging exporters.	Training of emerging exporters.	60	468 emerging exporters received training, which was tailor-made to suit the different developmental stages of the companies.	
		Workshops on exporting and trade agreements.	5	10 one-day workshops and 1 listening lunch were facilitated by WESGRO.	
		Establishment of an incentives programme for sector focused trading houses.	3	3 sector focused trading houses were funded – covering medical technologies, craft and clothing.	
	Facilitating Skills Development.	Managing the process of an Integrated Human Resource Development Strategy (HRDS) for the Province.	Delivery of strategy.		This was achieved as part of the MEDS, as inputs being made into the WCED HRD Strategy, and as part of the PDC process.
		Management and co-ordination of the Learning Cape Festival (LCF).	Participation of 100 organisations.		More than 100 organisations were involved, and over 500 events were held over the month-long festival.
		Establishment and strategic support for a LCF initiative to facilitate the implementation of the HRDS.	Establishment of body.		While the company was established by the partners, it was felt that this was best achieved under the auspices of the PDC. A delay was experienced due to processes in the PDC, and the body will be formally established in 2005/06.
	The Global Business Intelligence Unit.	Establishment of a regional economic statistical service to deliver key economic and sector statistics on a regional and international level.	None set.		Conceptualisation completed. Likely launch in the 4th quarter of 2005.
	The Business Environment Enhancement Unit.	To develop programmes and projects focused on industry specific issues such as infrastructure and logistics, R&D, innovation, new materials, logistics, connectivity, etc.	5 key projects to be developed (depending on funding).		Neither funding nor resources were allocated. Funds will be provided for in the 2006/07 fiscal year.
			To establish and fund a regional innovation support centre.	Establishment of Centre.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Economic Development Co-ordination</b>	To develop an enterprise development pipeline. This is a network of service providers, which will be established to address the problem areas experienced by business.	Number of service providers serving the needs of SMMEs in terms of information, access to finance, access to markets and training, etc.	20 service providers.	15 service providers.
	To create the RED Door as a single entry point for business to access the services of the pipeline in all major towns in the Western Cape.	Number of physical RED Door offices, located especially in the rural areas.	5 RED Door offices in the major rural areas and 1 RED Door office in the Metro.	8 fully-fledged RED Door offices, with 2 offices in the Metro area.
		Number of SMMEs assisted through the RED Door.	750 SMMEs assisted.	1 800 SMMEs assisted through the RED Door and more than 5 000 exposed to entrepreneurship programmes at the Business Place.
	To achieve medium-sized business actualisation, and the creation and development of small and micro businesses through sector-based interventions.	Number of businesses created and/or sustained through direct and indirect interventions, for example, access to finance.	100	165

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Economic Development Co-ordination</b>	To engage in initiatives to address widespread problems experienced by business, such as access to finance for the resource poor, logistics (inbound and outbound), and promoting the use of incentives and grants from the public, private and NGO sectors.	Number of assistance to programmes addressing start-up SMMEs.	10	16
		(including number of SMMEs)	(200)	300
		Number of mentorship programmes.	5	6
		(including number of SMMEs)	(80)	120
		Number of business training and information programmes.	5	8
		(including number of SMMEs)	(240)	300
		Number of programmes enabling the access to tenders.	4	10
		(including number of SMMEs)	(160)	450
		Number of rural Library Business Corners (LBCs) serving as Information Depots.	30	31 rural 56 urban
		Publication and/or distribution of SMME-relevant information.	4 000 booklets	5 000 RED Door information brochures.
		Support and funding of the Manufacturing Advice Centre	1 centre	1 Cape Town-based centre
		(MAC)	1 satellite unit	1 South Cape satellite centre

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Economic Development Co-ordination</b>	To assist SMME-support services providers to provide effective assistance to SMMEs, co-operatives and community-based business organisations.	Number of formal service providers participating in the "pipeline of SMME-support services" and the re-orientation of service providers to deliver in geographically spread areas.	16	15
	To facilitate the mentorship and incubation of SMMEs, community-based business organisations and co-operatives	Number of SMMEs, community-based business organisations and co-operatives assisted.	100	114
	To assist in the establishment and growth of sustainable community-based rural businesses and co-operatives	Number of community-based rural businesses and co-operatives established and supported, including ISRDP and Urban Renewal initiatives.	30	7



Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Economic Development Co-ordination</b>	To assist municipalities with their economic development responsibilities. Through the strategic plans of the identified key sectors, provide informed support to municipal IDPs to ensure meaningful local economic development and geographic spread of economic activities.	Number of Economic Development Units (EDUs) or structures with a similar function supported to provide capacity within a municipality.	5 EDUs supported.	5 EDUs supported.
		Number of local authority officials capacitated and/or supported in their economic development responsibility.	10	5 at district municipality level.
		Assist and commission analysis of economic structures, trends and potentials of local areas to ensure sustainable plans for targeted initiatives within the regions (number of scoping exercises undertaken).	2 scoping exercises conducted and a database and/or report available.	4 scoping exercises (3 in the Overberg and 1 in the Central Karoo).
	To engage in public works programmes to ensure that rural communities and businesses are empowered.	Number of projects impacted on through collaboration with other departments.	12	12, including: Project Consolidate, ISRDP, and URP.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Economic Development Co-ordination</b>	To support projects and programmes that will increase black ownership, women's participation, and opportunities for the disabled and the youth through community-based enterprises. Community-based businesses and co-operatives will be a key focus.	Based on the strategic plans of the identified key sectors, the number of sustainable economic development projects identified and supported from the IDPs of municipalities.	4	4 projects: 1. Beaufort West Essential oils 2. Intaba Jams 3. Klein Eikerboom dairy farm 4. Hawston Abalone farm
		Number of community-based enterprises established and or expanded, based on the strategic plans of the identified key sectors.	3	4
		Based on the strategic plans of the identified key sectors, the number of engagements assisted with expert advice and interventions.	100	200
		Based on the strategic plans of the identified key sectors, the number of projects assisted with business plan evaluation.	8	12 community-based initiatives.

## Purpose

The aim of Programme 3: Tourism is to develop, market and regulate the tourism industry in a way that will contribute to economic growth and job creation, and will ensure that all people in the Western Cape share the benefits derived. This would be achieved through ensuring that:

- Demographic and geographic economic empowerment becomes an integral part of tourism operations;
- there is ongoing service quality improvement to promote excellence;
- there is a fair and regulated tourism business environment;
- the Western Cape is positioned as a globally competitive destination;
- mechanisms are in place to ensure that there is meaningful alignment and partnership with key stakeholders; and
- monitoring and evaluation tools are in place to measure the impact of interventions that are implemented.

## Service delivery environment

### Sub-programme 3.1: Tourism Development

The ITDF has now been widely accepted as the framework for tourism development throughout the Province. While some district municipalities and local government authorities experience a lack of capacity and planning when it comes to delivering services to the local communities and in assisting with the Province's empowerment programmes, there are competent municipalities which are actively engaged in service delivery and empowerment programmes which assist in tourism development.

The Western Cape has taken the lead in the area of tourism enterprise development. The national Department of Environmental Affairs and Tourism and other national organisations such as TEP (Tourism Entrepreneurship Programme) and SATSA (South African Tourism Services Association), look to the Western Cape for achieved progress which has resulted in strategy and programme roll-out to the other provinces.

There is a greater willingness to engage partners outside the Department. Relationships with national government have been more productive and there is improvement in working towards a common approach to economic development through tourism.

### Sub-programme 3.2: Tourism Regulation

Transformation of the tourist guiding sector and the tourism industry as a whole is a key national imperative. In addition, while the Department has engaged in the training of HDIs for this financial period and will implement a mentorship programme for qualified tourist guides, a key challenge exists in "not just training for training's sake" and in ensuring that tourist guides are actively engaged in the workplace in a sustainable manner.

Policing the industry in terms of misconduct and illegal tourist guiding proves to be extremely problematic and non-delivery in terms of policing the industry is evident on a national basis. National Regulations for tourist guides need to be urgently gazetted and must address key issues, which include:

- illegal guiding (tour operators, foreign tour leaders, illegal tourist guides and areas of operation);
- misconduct and the code of ethics;
- proprietary rights of the Guide Badge;
- the age of guides;
- processing issues (new registrations, re-registrations, upgrading of tourist guide cards, upgrading of tourist guide badges, and replacement of cards and badges);
- the review of application forms;
- categories of tourist guides (to provide a framework); and
- the powers of Provincial Registrars.

At provincial level Registrars could develop their own policies and procedures for the above, however, tourist guiding and the regulation thereof remains a national mandate.

Tourism Safety and Security strategies have been developed, and will be further maintained and rolled-out in the 2005/06 financial year.



Zubeida Ben & Micki Matsuura

closely with the South African Police Services, the Department of Community Safety, Cape Town Routes Unlimited, medical emergency services, and the Office of the Consumer Protector to nurture this sector. We want to retain the Western Cape's reputation of being a safe and fun destination to visit.

## Tourism Safety and Signage

At the heart of the Tourism Safety and Signage mandate is the Tourist Victim Support Programme that provides one-stop help in the form of Pat Gee, programme co-ordinator, and colleagues Zubeida Ben, Garth Julius, and Rod Douglas. Support programme staff have a friendly, can-help attitude that calms tourists and leaves them with a positive image of the Western Cape even when they have just been through a harrowing experience. Their job is not only to be the friendly yet sympathetic faces of the people of the Western Cape, they also provide the one-on-one support tourists need when trying to pick up their lives again after being assaulted and/or robbed. Often this involves the basics of connecting them with their local government representatives to renew identity and travel documents, getting bank and credit cards reissued, helping with accommodation, and helping tourists plan the next leg of their trip or their flight out. With their help, tourists often regain their zest for travel in the Western Cape and stay a bit longer.

## Tourists in Distress

Tourism is an important source of income for the Province – R21 billion a year and counting. We recognise the huge economic contribution of tourists to our beautiful province. With this in mind, and given the spate of attacks on some tourists in recent months, we launched the Tourists in Distress campaign to enable tourists to know exactly who to contact in the event of an emergency.

These numbers are:

Emergency Services:	107
Emergency Services (cell)	112
Ambulance Services:	10177
Police:	10111
Consumer-related complaints:	0800 007 081

We want tourists to feel safe in our Province. We know that if they enjoy their stay, they will encourage others to visit. Therefore, the Provincial Government is working

One such person is Micki Matsuura from Japan. Within days of arriving in Cape Town in December last year, Micki was attacked while hiking up Platteklip Gorge on Table Mountain. She told the media that despite being stabbed several times resulting in a punctured lung, she managed to fend off her attacker with a few Karate chops and made her way to the cable station to seek help. Zubeida and Rod visited Micki in hospital and assisted with her accommodation, flights and liaison with the SAPS. Rod also obtained sponsorship for Micki to enjoy a trip in and around Cape Town, and this resulted in a total transformation from a trauma victim to an ambassador.

Two other people who say they'll be back despite being beaten and robbed just hours after arriving in Cape Town in January are Poles Darek Swaroikye and Jarek Tarozywski. The two were stabbed several times and robbed late at night in the CBD while returning to their backpacker lodge. They both sustained severe injuries and were hospitalised. Garth and Pat visited the two men in hospital, and later facilitated their travel arrangements. The Polish community also offered their assistance and together with their support a negative situation was once again turned into a positive one.

Following the Tourism Safety and Security Conference held in November 2004, a Tourism Safety and Security unit was formed within the Department to develop a proactive programme and a reactive capability. This included the formation of the Tourist Victim Support Programme. The Tourists in Distress campaign was developed and launched by the Minister in December 2004. The main aim of the Tourists in Distress campaign was to establish response procedures and lines of communication between protection services and the tourism authorities, and to provide protocol and guidelines for minimising the negative impact of any tourist-related incident. The Tourists in Distress campaign managed over 55 incidents over the festive season, the majority of which were cases of robbery. Unfortunately, a few serious cases were reported, which received adverse publicity. The unit played a proactive role in providing support in each instance.

The Tourism Road Signage Framework has been widely accepted and its recommendations are currently being implemented by the RTLCs throughout the Province. However, problems are encountered with the implementation of tourism road signage in that it is governed by the SARTSM (South African Roads Traffic Signs Manual), which is the technical and legal framework for implementation of tourism road signage. The manual urgently needs to be updated to include the latest developments in the tourism sector, particularly with regard to growth and development.

## **Overview of organisational environment**

### **Sub-programme 3.1: Tourism Development**

Tourism Development experienced budget constraints in terms of the implementation of the Integrated Development Framework (ITDF), which is a 10-year development plan for tourism in the Western Cape. The available budget is much less than the actual budget needed for implementing the ITDF and the sub-programme's ability to deliver on the implementation of all projects is impeded. A general increase in tourism development's budget is required in order to ensure fuller delivery on its mandate.

Continuous restructuring exercises challenged the sub-programme's ability to ensure uniform delivery on the ground.

### **Sub-programme 3.2: Tourism Regulation**

Considerable effort has been made to introduce an efficient system for the timeous processing of payments and the issuing of tourist guide cards and badges.

Staffing capacity with regard to fulfilling the basic operational requirements of tourist guide registration and policing the industry is being addressed. Restructuring exercises challenged the sub-programme's ability to implement a cohesive approach to consistent delivery.

## **Measurable objectives**

### **Sub-programme 3.1: Tourism Development**

Tourism Development provides the framework for the geographic and demographic distribution of tourism benefits, and has the following main objectives:

- To facilitate the implementation of the Integrated Tourism Development Framework (ITDF).
- To develop and implement a community tourism programme.
- To develop and implement a tourism enterprise programme.
- To ensure effective institutional arrangements with partners in the industry.

### **Sub-programme 3.2: Tourism Regulation**

Tourism Regulation provides a regulatory framework, by ensuring a fair, predictable and regulated tourism business environment, and has the following main objectives:

- Registration of tourist guides.
- Promotion of tourism safety and security.
- Overseeing and promotion of effective implementation of tourism road signage.

## Service delivery objectives and indicators

### Sub-programme 3.1: Tourism Development

Progress in the development of the ITDF:

- Cederberg Gateway: development plans have been completed and negotiations with a private sector partner are underway.
- Northern Gateway: a business plan and a feasibility study have been completed, and the project has been shortlisted by DEAT to receive a possible R2,4 million grant for infrastructure development.
- Eastern Gateway: this is a joint initiative between the Department, CTRU and the Eastern Cape Tourism Authority. The Department is in the process of identifying a suitable location for the establishment of the gateway in the Storms River Area.
- Cape Flats Development Framework: a consultant has been appointed to develop a plan for the Cape Flats area and a final report is due by the end of July 2005. An amount of R400 000 is being spent on this initiative and there is no doubt that this will have a huge impact on tourism traffic distribution in the region.
- Route 62: funding was made available to conduct an economic impact assessment and a final report is expected by September 2005.
- Cape Agulhas: the final business plan and feasibility study have been completed. The Department is in the process of finalising the precinct plan for the southernmost tip of Africa.

Progress in the area of Tourism Enterprise Development:

- 2004 saw the launch of the first full-scale Tourism Business Training Programme offered in each of the six regions of the Province. The Programme included tourism awareness sessions; beginners' one-day sessions; and intermediate and advanced 6-month programmes.
- The Cape Tourism Showcase (in its third year of operation) was successfully held in co-operation with all the Tourism Business Forum partners, and provided market access for tourism businesses in the infancy stage. The Showcase adopted the theme "Learning in Tourism" as it coincided with the Learning Cape Festival. There were 114 SMMEs represented with over 30 000 visitors passing through the doors over a three-day period.

## ACCESS TO THE CAPE (Tourism Community Development)

More than 2 100 learners experienced firsthand the major tourist attractions of the Western Cape through the Access to the Cape campaign. This initiative sponsored jointly by the Department and Cape Town Routes Unlimited (CTRU) is a recognition that affordability, accessibility and sometimes lack of awareness of what the Western Cape has to offer are still issues that plague specifically the historically disadvantaged population.

Access to the Cape was established to celebrate 10 years of Democracy, and to become an annual programme focused on making the tourist attractions of the Western Cape accessible to all who live in the Province. The campaign is partnered with Table Mountain Aerial Cableway Company, Two Oceans Aquarium, the Cango Caves, Cango Wildlife Ranch, Wilgewandel Holiday Farm and Knysna Waterfront Ferries, West Coast Fossil Park, Hermanus Whale Festival Association, and Spur Steak Ranches.

A separate Tourism Schools' Competition sponsored by CTRU and the Airports Company SA invites youth to produce a radio script on tourism. Learners from Overberg High School in Caledon were awarded second place. In September they joined other learners and teachers to enjoy the sites and sounds of Cape Town, courtesy of Access to the Cape. (See photo below.)







Sheraaz Ismail (Project Manager: Community Based Programmes) is flanked by graduates, Nelisa Zigana and Yumna Osman, after they received their diplomas on 21 April 2005.

## Provincial Tourism Bursary Fund

In February 2002 the Department of Economic Development and Tourism in partnership with the Cape Peninsula University of Technology established a pilot Tourism Bursary Fund. Four full-time bursaries were awarded to historically disadvantaged students studying Tourism Management, Food and Beverage Management, Hospitality Management and Food and Consumer Science.

During their three years of academic studies, the students excelled and managed to secure more than 15 distinctions between them. One of the students presented South Africa at an International Cook-off competition held in Mauritius and secured a second place in the overall competition.

Tourism Industry Development is proud to announce that on Thursday, 21 April 2005, all four full-time students are expected to graduate in their various National Diplomas. All four students have gained formal employment within the Tourism Industry.

Due to the success of the pilot programme, the Department has launched another three-year programme with the Cape Peninsula University of Technology where bursaries will be awarded to historically disadvantaged students studying in the field of Tourism.



Participants at the Youth in Tourism INDABA.

## YOUTH TOURISM INDABA

Youth have something to say about everything, and rightly so. Recognising the value of their inputs, MEC Lynne Brown hosted the Province's first ever Youth in Tourism INDABA at the Belmont Square Conference Centre in Rondebosch, Cape Town last October to engage youth with government and the private sector. More than 250 youth from across the Province attended this vibrant and energetic event to discuss and debate transformation of the industry, career opportunities, entrepreneurship, and government support programmes.

MEC Brown awarded certificates of recognition to 14 youth for their outstanding contribution to the tourism industry.

The INDABA proved so successful that it will now become part of the Department's annual events calendar.

- The Tourism Mentorship Programme was offered for the second time, yielding a group of 12 triple-A black-owned tourism businesses which have broken into the mainstream of the tourism industry.
- All these programmes were accessed through the Department's extensive network of entrepreneurship support agents or Tourism Help Desks (THDs), which exist in nearly every municipality of the Province. The THDs received ongoing training as part of the Department's tourism education network.
- The 2004/05 financial year saw the successful launch of the ITESP programme, geared towards providing support to relevant tourism SMMEs and employing a network of agents to assist with market access for these SMMEs.

The following tourism community development projects were implemented in 2004:

- Access to the Cape was launched in partnership with CTRU and a host of private sector partners. Its aim was to create opportunities for marginalised communities to explore and experience major tourism attractions in the Western Cape and the focus was on providing youth, senior citizens and other stakeholders with access to the Western Cape's attractions. It allowed HDIs increased access to the industry and created platforms for engaging with new consumers.
- Five students from historically disadvantaged communities were accepted into the Provincial Tourism Bursary Fund, which promotes access to the wine and tourism fields of study for undergraduate students.
- The Youth Tourism INDABA gave an opportunity for approximately 300 youth to interact with the Department on pertinent tourism issues.
- The Department provided financial and strategic support to more than 17 community tourism development projects throughout the Western Cape.
- The first labour market analysis in preparation for a human resource development framework for tourism was undertaken.

### Sub-programme 3.2: Tourism Regulation

Progress in the area of improving the operations of Tourist Guide Registration included:

- The system of processing tourist guide registrations has been significantly improved. The office has successfully moved from a situation of heavy backlogs to one of significantly improved turnaround times in processing registrations and the delivery of identity cards and badges.
- Time-frames for producing ID cards have been reduced from one month to one day, as identity cards are now internally processed. In addition, and as a result of appointing a new service provider, the turnaround time for obtaining a tourist guide badge has been reduced from approximately one month, to one week. Industry feedback indicates that these measures have improved efficiency of service delivery.
- A new payments process has been implemented, with the Cashier now located in the same office as the Tourist Guide Registration Office. Also, the Cashier's office hours have been extended; regular reconciliations are conducted; and staff provide weekly and monthly reports, which are both qualitative and quantitative in nature.
- Regular registration statistics are submitted to the National Registrar (DEAT).
- Meetings held with the National Registrar and the Provincial Registrars indicate that there is a common goal to align all nine provinces in a common tourism strategy.

Progress in the areas of Tourism Safety and Signage is reflected in the implementation of the Tourist Victim Support Programme and the implementation of the Provincial Tourism Road Signage Framework.

## Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Development	Implementation of Cape Agulhas Framework	Projects from Framework implemented.	Attracting potential partners and investors to projects.	Partners involved in the initiative are SANPARKS, Development Bank of Southern Africa (DBSA), Agulhas Municipality, Theron Family Trust, Cape Town Routes Unlimited (CTRU), Agulhas Bio-Sphere Initiative and the Overberg Regional Tourism Organisation. SET PLAN has been appointed by SANPARKS to establish the Development Plan for the southernmost tip of Africa. The Department is also represented on the steering committee responsible for the project.
	Implementation of Cape Flats Tourism Development Framework	Projects from Framework implemented.		The Department has identified a need to co-ordinate the efforts of all the organisations that have primarily been involved in promoting cultural heritage tourism in the Province. African Equations and Birthright Projects have been appointed to develop a plan that will contribute to a set of cultural heritage tourism projects. The study will explore the cultural and heritage potential of the Cape Flats. The development plan will be supported and consolidated with other tourism initiatives in the Cape Flats area. The final report is due by the end of July 2005.
	Implementation of plans for Northern Gateway	Northern Gateway established.	Building operations begin.	The Department of Environmental Affairs and Tourism (DEAT) appointed Annix Trading to complete a feasibility study and business plan that was submitted for possible Poverty Relief Funding. DEAT has indicated that the project has been shortlisted to receive a possible R2.4 million grant. The Department participates in the Provincial Gateways' task team, which consist of CTRU, the various district municipalities, and all the Regional Tourism Organisations. Meetings are convened on a monthly basis.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
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Tourism Development	Development and implementation of frameworks and projects in other nodes of the ITDF.	Frameworks developed for all nodes.	Frameworks developed in all 4 nodes.	<ul style="list-style-type: none"> <li>R100,000 was transferred to the Eden District Municipality for infrastructure development at the Robberg Nature Reserve. The site has been identified by the ITDF as one of the 11 Tourism Development Areas. Funding has been used for the upgrading of the interpretation centre and the recreational area.</li> <li>R150,000 has been transferred to the Cape Winelands District Municipality for development plans for Route 62 and the Freedom Route.</li> <li>The Department, CTRU, Eden District Municipality, and the Eastern Cape Tourism Authority have been in negotiations with Total SA regarding the development of the Eastern Gateway at the Storms River Bridge. Total SA is in the process of renovating their existing site and at this stage can only offer 52 square metres for the Gateway Centre, which is inadequate. The Provincial gateway task team is investigating other opportunities and possible avenues.</li> </ul>
	Integration of ITDF into IDPs and tourism-related plans of provincial and local government departments and other agencies, including the setting up of a forum.	ITDF adopted in all IDPs and tourism-related plans of national and provincial government.	Plans adopted in IDPs.	<ul style="list-style-type: none"> <li>At local level, the ITDF is fully supported by district and local municipalities. Many municipalities have included some of the ITDF recommendations in their IDPs and have made financial and human resources available to assist with the realisation of the initiatives.</li> <li>DEAT has shown its commitment to the ITDF process by shortlisting two of the Department's projects for possible funding.</li> <li>CTRU and the DBSA have also made substantial financial contributions to the realisation of the ITDF.</li> <li>It is envisaged that the Provincial Gateway task team will become the forum to plan and implement the ITDF initiatives.</li> </ul>
			Plans reviewed.	Ongoing

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
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<b>Tourism Development</b>	Development and implementation of integrated entrepreneurship support model.	Integrated support model piloted, evaluated and rolled-out.	Pilot model rolled out for implementation, based on feasibility.	<ul style="list-style-type: none"> <li>• Successful pilot completed. Six SMMEs benefited from the programme.</li> <li>• Programme evaluated and full roll-out followed.</li> <li>• R10 million allocated to the programme over three years.</li> </ul>
	Development of catalyst fund.	Catalyst fund fully developed and operational.	Pilot fund implemented as a first step.	It was decided to apply the resources of the catalyst fund to the development of the ITESP programme.
	Implementation of Tourism Help Desk Model.	Tourism Help Desks (THDs) fully functional.	Programme maintained and sustained.	<ul style="list-style-type: none"> <li>• 38 THDs are fully functional and spread throughout the Province.</li> <li>• The THDs attend quarterly THD forum meetings; receive quarterly THD Newsletters, and receive ongoing training.</li> <li>• The THDs are integral to the implementation of the Tourism Business Development Programmes.</li> <li>• The THDs are being included as part of the RED Door Initiative.</li> </ul>
	Partnership with other stakeholders and industry-wide debate.	Relationships with partners and stakeholders beneficial for all parties.	Regular formal programme developed and maintained.	<ul style="list-style-type: none"> <li>• Tourism Business Forum established.</li> <li>• Regular monthly meetings, chaired by the Department, are held to discuss strategic issues in Tourism Business Development.</li> <li>• Tourism Business Forum newsletter published bi-annually.</li> <li>• A number of programmes have been developed and have succeeded as a result of this partnership, including The Tourism Mentorship Programme and the Cape Tourism Showcase.</li> </ul>
	Monitoring and evaluation programme.	Dialogue and summit on empowerment in the industry. M & E fully implemented.	System review.	Due to the uncertainty of available funds, this programme was halted in April 2004 and reinstated in November 2004. The Tourism Development Consortium has been appointed to develop the M & E system.

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Tourism Development	Cape Tourism Showcase	Increased number of businesses receiving exposure from the showcase. Proper monitoring and evaluation system in place.	Successful showcase linked to other shows held at the CTICC.	The Cape Tourism Showcase was successfully held for the third time in 2004 with 114 businesses able to gain access to the market. The full potential of the Cape Town Tourism Showcase will be explored as part of a 3-year expansion plan to host it as an independent show during the 2005 – 2007 period.
	Implementation of mentorship model.	Increased profit for businesses participating in mentorship programme. Programme rolled out to include start-ups.	Programme expanded to include regions.	The Tourism Mentorship Programme has grown in the number of businesses assisted, and in the geographic spread of the programme. In addition, the Tourism Mentorship Programme has been refined through lessons learnt from the 2003 pilot programme. After approximately seven months of one-to-one mentorship in 2004, each of the 12 participating entrepreneurs have shown a marked improvement in their own processes.
	Promotion of BEE.	Increased number of black businesses fully operational in the sector.	BEE directory fully developed.	The Department participated fully in the development of a national BEE charter and scorecard for tourism. The draft was launched in the 2004/05 financial year and the final document will be launched in the 2005/06 financial year at the Tourism INDABA during the month of May 2005.
		Sector fully educated on BEE.	Increased utilisation of black business by both the private and public sectors.	
Implementation of community tourism projects.	Fully implemented community projects, in line with the ITDF.	Establish formal linkages between community-based projects and entrepreneurship.	The Department is committed to providing strategic support to a number of community based projects throughout the Province on an ongoing basis. Community-based organisations are assisted to leverage funding from other sources and to make use of various entrepreneurship support programmes, for example, the RED Door initiative, THDs and the ITESP programme.	



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Tourism Development	Implementation of schools' awareness programmes.	Fully implemented tourism awareness programmes at schools.	Schools' programme implemented in all six regions of the Province.	This was discussed under the transfer payment made to CTRU (Schools' Competition).
	Implementation of community tourism awareness programme.	Implementation of community tourism awareness programmes.	Implementation of pilot in line with the ITDF.	This was discussed under the transfer payments made to CTRU (Access to the Cape).
	Poverty relief and LED projects.	Implementation of poverty relief projects and LED tourism projects, in line with the ITDF.	Ongoing maintenance and support.	Intervention in the Beaufort West Arts and Culture Centre to provide skills training to crafters.
	Development of partnerships with education, labour, THETA, educational training institutions and service providers.	Structured relationships with education, labour, THETA, educational training institutions and service providers.	Establishment of formal forums to facilitate discussion.	Formal partnerships established with the Department of Education, Cape Peninsula University of Technology, and Stellenbosch University (the tourism schools' competition, a provincial tourism bursary fund, and a wine technology bursary fund).
			Ensure co-ordination between employers, training institutions, and marketing organisations.	HRD labour market analysis completed; this will be used as a basis for tourism HRD co-ordination in the forthcoming financial year.

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Tourism Development	Implementing a scarce skills strategy.	Human resources equipped to service needs of the growing tourism industry. Tourism bursary fund in place.	Matching scarce skills in ITDF nodes to needs in the tourism industry.	HRD labour market analysis conducted, which will be used as a basis for matching scarce skills.
			Bursaries funded on this basis.	Provincial Tourism Bursary Fund in co-operation with Cape Peninsula University of Technology.
	Western Cape Destination Marketing Organisation trading as Cape Town Routes Unlimited (CTRU).	CTRU fully established, operational, maintained and sustained.	CTRU fully operational, maintained and sustained.	Provincial Wine Technology Bursary fund in co-operation with Stellenbosch University. An amount of R20,532 million was transferred to CTRU. This transfer was discussed under the transfer payments in Section 2.5.3 of the Annual Report.
Cape Craft and Design Institute (CCDI).	CCDI fully operational in all the regions of the Province.	CCDI programmes expanded to six regions of the Province, in line with the ITDF.	An amount of R250,000 was transferred to CCDI to cover operational costs.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
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<b>Tourism Regulation</b>	Specialised market-related training of tourist guides.	Implementation of training of tourist guides in niche markets, for example, flowers, rock art, whale watching, wines, etc.	Implementation of aspects of the plan, in line with the ITDF.	Targeted tourist guide training conducted in partnership with the Cape Peninsula University of Technology.
	Transformation and empowerment within the tourist guiding industry.	Training and mentoring of HDI tourist guides.	Increased number of HDI tourist guides in the industry.	Tourist Guide training and mentorship programme sponsored by the Department and conducted by the Cape Peninsula University of Technology. As a result of the success of the programme in 2004, a second training programme will be conducted in 2005. The total number of HDI tourist guides registered in the Western Cape are currently: Black: 98 Coloured: 329
		Training and upskilling of existing HDI tourist guides in the tourist guiding industry.	Creating sustainable employment opportunities for HDI tourist guides in the industry.	French language training – An initiative with DEAT's National Registrar's office and the Alliance Française to upskill existing HDI tourist guides by providing them with foreign language training. 32 HDI tourist guides from the Western Cape are participating in the language training.
		On-going capacity building and communication with tourist guides.	Transformation of a white-dominated tourist guiding industry.	Provided financial and other support for a successful 2-day conference on Transformation within the tourist guiding industry in the Western Cape.

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<b>Tourism Regulation</b>	Promote and develop the tourist guiding industry.	Launch of a National Federation of Tourist Guides and a subsequent launch of the Western Cape of Tourist Guides Federation.	Develop the tourist guiding industry by creating a single, unified national and provincial voice to represent the interests of tourist guides with whom government can liaise.	Western Cape instrumental in assisting and supporting the launch of the National Federation of Tourist Guide Associations (NFTGSA) in Soweto in March 2005. Western Cape to continue with workshops with industry stakeholders, in order to launch the Western Cape Federation of Tourist Guide Associations.
	Registration of tourist guides.	Training and mentoring of 22 HDI tourist guides. Increased number of registered tourist guides, especially HDI tourist guides, in line with market demand.	The number of registered tourist guides with access to the market should grow by 20%.	Total number of registered tourist guides (including registered and re-registered) on database: 2 014 as at 31 March 2005.
		Maintain database of tourist guide information.	Accurate and updated database of tourist guide information.	Web-based database of daily updated and accurate information of all registered tourist guides in the Province is available on the Cape Gateway website. < <a href="http://www.capegateway.gov.za">http://www.capegateway.gov.za</a> >
	Disseminate information to tourist guides to promote and develop the sector.	Newsletters and other relevant information distributed to tourist guides.	Four newsletters per annum and updated, relevant information.	Four newsletters distributed in 2004/05 to registered tourist guides via e-mail, post, and on the web-based tourist guide database for broader industry access.
	Provincial Tourist Guide Awards.	Hosting of an Annual Competition to select the Best Tourist Guide of the Year in the Western Cape.	Appointment of the Winner of the best Tourist Guide of the Year Competition for 2004.	Best Tourist Guide of the Year for 2004 announced. Western Cape Tourist Guide of the Year also selected as the Best Tourist Guide of the Year in South Africa in 2004.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
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<b>Tourism Regulation</b>	Illegal Guiding and Misconduct.	Create awareness around the negative effects of illegal tourist guides in the industry and the importance of utilising registered tourist guides.	Decrease in the number of illegal tourist guides and tourist guides guilty of misconduct.	Launch of an illegal guiding awareness pamphlet in the Western Cape.
	Promote tourism safety and security.	Develop proactive awareness programmes for key role-players and stakeholders.	Implementation of effective awareness programme.	Tourism Safety and Security brochures distributed province-wide to all key stakeholders.
	Establish reactive tourism safety and security capability.	Establishment of Tourism Safety and Security unit within defined procedures and operational mechanisms.	Tourism safety infrastructure in place and replication at local level.	Development and implementation of the Tourists in Distress campaign for the 2004/05 festive season. Successful handling of 55 incidents involving tourists over the festive season.
		Development of programme and appointment of co-ordinator.		
	Tourism safety and security database.	Identify key role-players and stakeholders.	Draft schedule.	Ongoing maintenance and updating of database.
	Tourism safety and security major events planning.	Draft emergency planning for major events.	World Cup Soccer 2010 Tourism Safety and Security planning.	Attended World Cup Soccer 2010 Safety and Security Conference.
	Oversee and promote implementation of tourism signage.	RTLCS fully operational; with communication with and training of local government, and implementation in two pilot areas.	Formation of 5 RTLCS.	Facilitation and maintenance of 5 RTLCS and steering committees.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
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<b>Tourism Regulation</b>	Tourism route pilot projects.	Manufacture and erection of tourism road signs on Route 62 and the West Coast pilot projects.	Marketing and branding of routes.	Infrastructure for Route 62 (Phase 1), and West Coast route completed.
	Tourism Route (other) projects.	Manufacture and erection of tourism road signs in Hops and Eden Country Districts.	Marketing and branding of routes.	Infrastructure for Hops Country District and Eden Country District routes completed.
	Tourism route development.	Area audits, branding and marketing.	Development of a route connection plan to link all routes.	Overberg and West Coast projects.
	Cape to Namibia tourism route.	Planning, liaison and networking.	Comprehensive tourism road signage.	Facilitating tourism road signage requirements.
	Tourism gateway development.	Northern (Beaufort West), Western (van Rhynsdorp), Eastern (Tsitsikamma) gateway planning and development.	Signage development for gateways and information centres.	Consultation, liaison, network and planning meetings in progress.



## Purpose

The aim of the iKapa eliHlumayo programme is to develop and refine a comprehensive and rigorous Micro-economic Development Strategy (MEDS) for the Province and to make interventions in the economy in order to achieve significant growth, create employment, change ownership patterns, promote participation by all in the economy, promote equity, reduce poverty, and improve the quality of life of all citizens.

The programme is structured as follows:

- Development of a Micro-economic Development Strategy (MEDS) including output benchmarks and a monitoring system.
- Economic Stimulation Programme to ensure that key interventions identified by the Micro-economic Development Strategy (MEDS) are implemented.

## Service delivery environment

The Department is not yet at the implementation stage of interventions emanating from the MEDS, hence comment on key outputs relating to services rendered directly to the public cannot be made at this stage. The MEDS is at the final stage of collecting evidence of the State of the Province reports in 14 sectors and 4 themes. An analysis of this evidence will inform the Province in identifying and prioritising key growth sectors on the basis of employment and growth considerations.

A number of initiatives and interventions are envisaged which will impact directly on various communities. These will also be aligned to the IDPs of the local government departments. An example of a typical intervention could be: high-tech skills development in the manufacture industries, which will lead to the development of new SMMEs; significant and sustainable job creation; the inclusion of marginalised communities into previously exclusive industries; and the repositioning of industries towards global competitiveness.

## Overview of organisational environment

The programme does not have any dedicated staff component at present. For the 2004/05 fiscal year, the staffing requirement was essentially sourced from within the Department. The MEDS programme primarily required the deployment of external consultants in the development of the MEDS research papers.

The Department's restructuring efforts can be described as a significant internal development to the programme. For example, a significant impact of the MEDS is the requirement of co-operative and integrative governance, strategies, and interventions; which will lead to the restructuring of various sector-based units in the Department.

## Measurable objectives

The Programme's measurable objectives relate primarily to the development of an all-inclusive Micro-economic Development Strategy (MEDS) and the investment in interventions as identified through the MEDS that would provide substance to the vision of the iKapa eliHlumayo strategy.

## Service delivery objectives and indicators

The delivery objectives and indicators within the Programme relate primarily to the research, development and implementation of the MEDS.

Thus far, the first phase of research into the Western Cape's economy, and the compilation of the Western Cape's first Micro-economic Development Strategy (MEDS) Preliminary Synthesis Report have been completed. These achievements can be seen as the building blocks on which all strategies within the Western Cape will be developed. The actual interventions that will be implemented will lead to measurable indicators such as job creation, assistance to SMMEs and access to finance by SMMEs. The achievement of targets will invariably contribute towards achieving iKapa eliHlumayo's outcomes, which will impact on the strategic priorities of government.

## Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
<b>Micro-Economic Development Strategy (MEDS)</b>	In accordance with the broad goals of iKapa eliHlumayo and the specific targets set in terms of the PGDS Framework Agreement.	Develop strategic plan 6 months into the 2004/05 financial year.	End December 2004	<p>The 1st phase of the Micro-economic Development Strategy (MEDS) process commenced in August 2004 and was concluded in December 2004. This process, during which research was conducted in 6 sectors and 2 themes, produced a MEDS Preliminary Synthesis report. The Preliminary Synthesis report situates the 8 sector and theme research reports within a broader micro-economic development context and recommends interventions per sector and theme.</p> <p>The 2nd phase of the MEDS commenced in January 2005. Research findings of 8 additional sectors and 2 themes in the economy will be finalised to provide a comprehensive set of key interventions for all the sectors and themes researched in both the 1st and 2nd phases of the MEDS. The key interventions will be implemented in order of priority.</p>

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
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<b>Micro-Economic Development Strategy (MEDS)</b>	In accordance with the broad goals of iKapa eliHlumayo and the specific targets set in terms of the PGDS Framework Agreement.	Monitoring and Evaluation system.	None set.	<p>In the deployment of external consultants in the development of the MEDS, the research process had narrow time-frames and high demands on quality data and optimal interventions. This required an evolving monitoring system to ensure a high quality of delivery.</p> <p>A Scientific Committee, comprising qualified and experienced supervisors in economic research, monitored the overall quality of the research process of the 1st phase of the MEDS research. Individual research papers were scrutinised and interrogated by a broader forum (Extended Scientific Committee) represented by officials from various provincial departments.</p> <p>A government respondent was nominated for each sector. Government respondents were tasked to ensure that the research was aligned with government priorities and strategies.</p> <p>During the 2nd phase of the MEDS, a Chief Economist was appointed who, together with an established Oversight Committee, monitored the overall quality of the MEDS research process. The MEDS Preliminary Synthesis report was presented to the Cabinet Lekgotla in February 2005.</p> <p>Consultative presentations will be held with the Standing Committee, the Provincial Development Council (PDC), business, relevant parastatals, NGOs, and the public in the next financial year.</p>
		Benchmarks as baseline to measure the impact.	None set.	Implementation of prioritised interventions in the identified sectors will be measured in terms of impact on the Western Cape's economy. Measurement of impact evaluation will be detailed in the next financial year, once the key interventions have been prioritised.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
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<b>iKapa eliHlumayo Economic Stimulation Programme</b>	To invest funds in strategic development interventions in order to attain employment generation and per capita income growth through specific projects.	Interventions as identified by research and partners, IDPs and the PGDS outcomes.	None set.	R2,258 million was transferred to various institutions to stimulate cross-sectoral initiatives. Recipients of the funds were: <ul style="list-style-type: none"> <li>• South African Labour Research Institute (SALRI)</li> <li>• Tooling Association of South Africa (TASA)</li> <li>• WESGRO</li> <li>• Cape Film Commission</li> <li>• National SMME Fishing Forum</li> <li>• Cape Town Peace Plan</li> <li>• Cape Africa Platform</li> <li>• Cape Craft and Design Institute (CCDI)</li> </ul>