



GROW, TRANSFORM, COMPETE, SHARE.



Annual Report

Department of Economic Development and Tourism

Jaarverslag

Departement van Ekonomiese Ontwikkeling en Toerisme

Ingxelo Yonyaka

Isebe Lophuhliso Lwezoqoqosho Nezokhenketho



Annual Report 2007/2008

2007/2008



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List of Abbreviations

ABET	Adult Basic Education and Training	DST	Department of Science and Technology
ACSA	Airports Company of South Africa	dTi	Department of Trade and Industry (National)
AFS	Annual Financial Statements	EA	Executive Authority
AGM	Annual General Meeting	EAP	Employee Assistance Programme
AMR	Asset Management Reforms	ECD	Early Childhood Development
AMTS	Advanced Manufacturing and Technology Strategy	ED	Economic Development
AO	Accounting Officer	EDP	Exporter Development Programme
ASGISA	Accelerated Shared Growth Initiative of South Africa	EDU	Enterprise Development Unit
BBBEE	Broad-Based Black Economic Empowerment	EE	Economic Empowerment
BER	Bureau for Economic Research	EIA	Environmental Impact Assessment
BPO	Business Process Outsourcing	EMC	Executive Management Committee
BRG	Business Regulation and Governance	FAS	Foetal Alcohol Syndrome
CADET	Career Assessment Development, Education and Training	FEDHASA	Federated Hospitality Association of South Africa
CBD	Central Business District	FET	Further Education and Training
CCDI	Cape Craft and Design Institute	FNB	First National Bank
CEL	Centre for Extended Learning	GDP	Gross Domestic Product
CFC	Cape Film Commission	GDS	Growth and Development Summit
CFO	Chief Financial Officer	GET	General Education and Training
CITI	Cape Information and Technology Initiative	HCDS	Human Capital Development Strategy
CMaTS	Correspondence Management and Tracking System	HRDS	Human Resource Development Strategy
COGSI	Cape Oil and Gas Initiative	HDI	Historically Disadvantaged Individual
CPUT	Cape Town University of Technology	HE	Higher Education
CSIR	Council of Scientific and Industrial Research	HEIs	Higher Education Institutions
CTBBI	Cape Town Boat-building Initiative	HoD	Head of Department
CTBTi	Cape Town Boat-building and Technology Initiative	HRD	Human Resource Development
CtC	Calling the Cape	HRDS	Human Resource Development Strategy
CTGA	Cape Town Guides Association	HRFU	Human Resource Development Unit
CTRU	Cape Town Routes Unlimited	I, D&AT	Innovation, Design and Advanced Technologies
DBC	Departmental Bid Committee	IAT	Institute for Advanced Tooling
DEAT	Department of Environmental Affairs and Tourism (National)	ICT	Information Communication Technology
DLOs	Designated Liquor Officials	IDP	Integrated Development Plan
DMO	Destination Marketing Organisation	IEDS	Integrated Economic Development Services
DoL	Department of Labour (National)	ISRDS	Integrated Sustainable Rural Development Strategy
DoP	Department of the Premier	IT	Information Technology
DOPMS	Departmental Operations Performance Management System	ITDF	Integrated Tourism Development Framework
DPMES	Departmental Planning, Monitoring and Evaluation System	ITESP	Integrated Tourism Entrepreneurship Support Programme
DPSA	Department of Public Service and Administration	IVR	Incoming Voice Recorded



List of Abbreviations

IYM	In Year Monitoring	RTLCs	Regional Tourism Liaison Committees
LBC	Library Business Corners	S&T	Subsistence and Travel
LCF	Learning the Cape Festival	SAIGA	South African Institute of Government Accountants
LCI	Learning Cape Initiative	SAOGI	South African Oil and Gas Initiative
LED	Local Government Development	SAPS	South African Police Service
LTA	Local Tourism Authority	SARS	South African Revenue Service
LTB	Local Tourism Board	SATSA	South African Tourism Services Association
M&E	Monitoring and Evaluation	SCFS	Social Capital Formation Strategy
MEDS	Micro-economic Development Strategy	SCM	Supply Chain Management
MENNGOS	Micro Enterprise Network of NGOs	SCOPA	Standing Committee on Public Accounts
MST	Mathematics / Science / Technology	SDIP	Service Delivery Improvement Plan
MTEF	Medium Term Expenditure Framework	SEDA	Small Enterprise Development Agency
NFTGASA	National Federation of Tourist Guide Associations of South Africa	SETAs	Sector Education and Training Authorities
NGOs	Non-governmental Organisations	SIP	Strategic Infrastructure Plan
NIMS	National Integrated Manufacturing Strategy	SMEs	Small and Micro Enterprises
OCP	Office of the Consumer Protector	SPMS	Staff Performance Management System
OMAM	Old Mutual Asset Management System	SPVs	Special Purpose Vehicles
PAMTS	Provincial Advanced Manufacturing Technology Strategy	TED	Tourism Enterprise Development
PDC	Provincial Development Council	TGRO	Tourist Guide Registration Office
PDI	Previously Disadvantaged Individuals	THDs	Tourism Help Desks
PEAP	Provincial Employee Assistance Programme	THETA	Tourism, Hospitality and Sport Education and Training Authority
PERO	Provincial Economic Review and Outlook	TID	Trade and Industry Development
PFMA	Public Finance Management Act	TOACT	Tour Operators Association of Tour Operators
PGDS	Provincial Growth and Development Strategy	URDP	Urban Renewal Development Programme
PGDS	Provincial Growth and Development Summit	WCBI	Western Cape Beneficiation Initiative
PGWC	Provincial Government Western Cape	WCED	Western Cape Education Department
PPP	Public Private Partnership	WCTGA	Western Cape Tourist Guides Association
PSETA	Provincial Sector Education and Training Authority	WECBOF	Western Cape Business Opportunities Forum
R&D	Research and Development	WEE	Women Economic Empowerment
REAF	Real Economic Assistance Fund	WESGRO	Western Cape Investment and Trade Promotion Agency
RED	Read Enterprise Development	WIETA	Wine Industry Ethical Trading Association
RIS	Regional System of Innovation	WSP	Workplace Skills Plan
RS&IE	Research Support and Impact Evaluation	WCYC	Western Cape Youth Commission
RSF	Road Signage Framework	YEE	Youth Economic Empowerment



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Part One General Information



Annual Report 2007/2008



Part 1: General Information



1.1 Submission of the Annual Report to the Executive Authority

I have the honour of submitting the 2007/2008 Annual Report of the Department of Economic Development and Tourism in terms of the Public Finance Management Act, 1999.

Ms J Johnston
Accounting Officer

1.2 Introduction by the acting head of the institution

The 2007/2008 financial year can be characterised as a challenging year with growing economic uncertainty within the global arena arising from the increases in inflation and food prices and slowing growth and increasing interest rates. The Department also saw changes in leadership, the promotion of key senior managers to other Departments and the induction of a new cache of dynamic managers to the economic team. Within this context, the Department has striven to create an enabling environment for businesses and the citizens of the Western Cape.

The Department has delivered on its strategic objectives and mandate through the framework of the Micro-Economic Development Strategy (MEDS), which was initiated in 2004 and through a series of in-depth research papers and consultative processes, was implemented in 2006/2007. The MEDS articulates an evidence-based approach which focuses on economic interventions aimed at delivering shared growth via employment creation and increased participation and ownership of the economy. These policy interventions are structured along sectors which provide optimal employment and growth opportunities and crosscutting thematic programmes that have a broad-based and deep impact across

the economy, such as the promotion of entrepreneurship, investment, skills development and Broad based BEE.

With respect to the achievements realised within the financial year 2007/2008, the various programmes and initiatives bore the following outcomes:

Enterprise Development is dependent on the development and maintenance of partnerships with stakeholders both nationally and at a local level. This has involved the alignment of the sub-programme's strategy with that of the national small business strategy as well as significant partnerships with national government agencies. Of note, these strategic partnerships include Khula, Umsobomvu Youth Fund, Companies and Intellectual Property Registration Office (CIPRO), Council for Scientific and Industrial Research (CSIR), Small Enterprise Development Agency (SEDA), South African Micro-finance Apex Fund, Development Bank of South Africa (DBSA), Human Sciences Research Council (HSRC), South African Bureau of Standards (SABS) and South African Revenue Service (SARS). At a provincial level, there have been sustained collaborative initiatives with other government departments, namely Transport and Public Works, Department of Agriculture, Social



Furthermore, improved access to business information through the single entry points, the Red Door, has been effected through the provision of access points to the Internet for research and development of business ideas and the enhancement of existing small businesses. A tender advice and training programme dealing with both public and private sector tenders is being offered at all the RED Doors, improving entrepreneurs' opportunities to access additional markets.

Complementing the physical structure of the RED Doors within localities, the implementation of the mobile service has been offered as an outreach intervention to improve the accessibility of the RED Door services.

The Department has also consolidated and implemented a comprehensive small business support initiative, called the Small Business Assistance Support Programme, which provided both financial and non-financial services to 'unbankable' entrepreneurs.

To encourage the conversion from the second to the first economy, the Department embarked on unconventional initiatives geared at addressing unemployment and stimulating entrepreneurship amongst beneficiaries at the lower end of the economic spectrum. Beneficiaries received basic business training and assistance in developing business plans. Selected business plans are available on an open source website and are accessible to those wishing to open similar businesses. The initiative has also seen beneficiaries being exposed to the formal banking sector.

With co-operative structures playing a major role in improving resource mobilisation and access to markets, the sub programme Enterprise Development has finalised the development of a Co-operative Strategy, capacity building programme and pilot project.

The financial year 2007/2008 saw the rollout and establishment of additional five Plek Plan offices bringing the total to 10. Die PLEK PLAN offices will ensure the greater spatial spread of support by identifying and developing local economic and broader business opportunities.

Under Die PLEK PLAN, the Rural Economic Assistance

Fund (REAF) continued to seek and identify pilot project proposals for development and partnership that could result in the establishment of new and economically viable (predominantly, agri-business) ventures for the benefit of the previously disadvantaged. REAF criteria were developed to assist in assessing the economic viability of projects, sourced through the PLEK PLAN Programme and Municipalities, and projects that appeared to be economically viable were subjected to full feasibility studies.

More direct hands-on support to those municipalities in greatest need of assistance has been provided, given the challenges in the area of organisational skills and capacity in economic development at municipal level. This has made strides towards improving the alignment between District and B-level municipalities as well as between provincial and municipalities' programmes.

The Department is laying the foundations for a clear understanding and practical implementation of Broad Based Black Economic Empowerment (BBBEE) per the national legislation and the Codes of Good Practice. The development and implementation of a broad based black economic empowerment implementation strategy for the province has been finalised. Consultation and practical implementation plans will come to fruition during 2008/2009 financial year.

A draft Western Cape Preferential Procurement Policy (PPP) has been completed in collaboration with Provincial Treasury and in consultation with all Western Cape Provincial Government Departments as well as outside stakeholders. The objective of the revised Western Cape Preferential Procurement Policy is to enable the Provincial Government to increase its procurement spend on historically disadvantaged enterprises and Black SMEs. The finalisation of the WC PPP awaits the completion of national processes and regulation.

The Department has continued to play a leading role in facilitating BBBEE opportunities, as a gap exists in the need for an independent intermediary to broker BBBEE opportunities between financial institutions, black entrepreneurs and white corporates. The unit has facilitated BBBEE opportunities leading to an increase in job creation and expanding economic participation amongst previously



The Department's Sector Interventions has yielded significant progress over the past financial year. Key thrusts to this progress include the R155 million Saldanha Fabrication Facility that has been completed, and launched during November 2007 by the Deputy President. This facility is expected to re-establish the Western Cape as a major player in the county's manufacturing sectors and will improve the job creation prospects for various manufacturing industries including the oil and gas, engineering sectors and the related downstream industries.

The Clothing and Textile interventions have contributed towards a new sense of optimism within the industry. More than 40 of the largest manufacturers have joined the Cape Clothing and Textile Cluster, representing more than 50 per cent of formal employment in the industry, with major breakthroughs in strengthening the value-chain particularly between manufacturers and retailers. Clotex has contributed towards formalising the Cut Make and Trim sector (CMT) with more than 150 SMEs actively supported.

Interventions in BPO's and call centres, which are still fledgling industry segments in our economy, have been dominated by the development of growth strategies and plans to transform to best meet the demands of competing in an global environment. Success has been achieved in the 2007/2008 financial year, with 7 000 new call centre jobs being created, 30 investment deals facilitated through CallingtheCape (CTC) and 100 new learnerships facilitated on National Qualification Framework (NQF) level 2. The new CallingtheCape Training Campus, which occupies the old CRIC building, has been launched. Regarding ICT, 70 per cent of the participants mentored have sustained their businesses. Velocity, which is a BEE fast-track programme for ICT start-ups, has achieved significant successes with 18 out of the 20 participants having graduated.

The Department has continued to deepen its interventions and programmes within its flagship sub-sectors of Film and Craft where efforts have yielded significant economic growth for the province to date. The two sector bodies of Film and Craft have completed research projects to deepen their understanding of their economic impact potential and opportunities for further growth. The demand

and supply led skills research for Oil and Gas, BPO, Tourism, Film, Boatbuilding, ICT and Tooling has been finalised. Together with learnings from skills interventions implemented by the SPVs, Work Force Development initiatives have developed and/or assisted in funding projects that add value and support enabling environments and frameworks e.g. unit standard generation, alignment of training interventions for international accreditation, training in scarce skills and top up funding to accelerate training targets.

Tourism continued with its support for plans and programmes that are aligned to the Western Cape Tourism Development (WCTD) Framework. The WCTD Partnership has been fully operationalised, with the work of the 5 sub-committees [Growth, Participation, HRD, 2010, Transport and Infrastructure] underway.

The Integrated Tourism Development Framework (ITDF) review process which informs the new and further development of sites, attractions, routes and infrastructure was completed. Intensive stakeholder engagements were held with the City of Cape Town and District Municipalities. While the ITDF review process focused on product development and identification of tourism potential within each of the regions of the Western Cape, it also affords a more integrated approach in dealing with tourism as a whole. Furthermore, the Tourism Enterprise Development unit has expanded its already successful Tourism Tiered Support System to accommodate additional entrepreneurs. The training of historically disadvantaged individuals to become tourist guides and a tourist guide learnership programme were conducted in order to promote transformation. In addition, workshops as part of the Tourist Guide Ambassadorial Project to train tourist guides in the basics of economic development and investment opportunities were held in the Province.

Regulation, once generally viewed as anti-development and a negative force in an environment seeking to grow the economy, has in recent years come to be seen as an enabling factor ensuring that all the economic role-players – consumers, enterprises and the various levels of government – co-operate in a structured, legally secure and predictable environment towards economic growth and transformation.



It is against this backdrop that the Business Regulation and Governance unit has over the past year continued to evolve and refine its business processes and procedures to render a more effective and efficient service to its customers – liquor license applicants and holders, aggrieved consumers and members of the public in general.

Both the Office of the Consumer Protector (OCP) and the Liquor Board have distinguished themselves as the benchmarks in service delivery in their respective areas, but in accordance with its stated approach of constant review and improvement, and in pursuit of excellence, goal posts have been shifted wherever achievements in the past year have indicated the possibility of

yet better results and efficiencies.

Initiatives to mainstream HDI-owned liquor outlets will gain momentum with the implementation of the new provincial liquor legislation as well as strengthen the public participation in the processing of licences.

In the third year of adoption of the Phase 1 of the MEDS, and having outlined the various successes of the various Departmental programmes, it is important to take stock of what has been holistically accomplished in 2007/2008. As a combined aggregate of the many achievements of individual MEDS initiatives and programmes, the Department has been able to deliver on the following:

Indicator	2007/08
No. of Jobs facilitated	8 964
No. of SMEs assisted	18 737
Investment facilitated ®	R1 465 704 525
Persons trained	12 609
Businesses established	114
No. of SMEs Funded	385

Against this background, the department has been successful in facilitating more jobs, assisting new and emerging entrepreneurs and facilitating investment into the Western Cape.

1.3 Information on the Ministry

In 2007/2008, the Department was administered by two ministries, namely the Ministry of Environment, Planning and Economic Development and the Ministry of Finance and Tourism.

Two institutions report to the Executive Authority responsible for economic development. These are the Western Cape Investment and Trade promotion Agency (Wesgro) and the Western Cape Liquor Board. Wesgro was established in terms of the Western cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996) and is responsible for attracting investment in the Western cape, growing the export of products and services, improving the export capability of firms and institutions and marketing the Western cape as an attractive business destination.

The Liquor Board was established in terms of the national Liquor Act, 2003 (Act 59 of 2003). The primary responsibility of the board is to regulate the liquor industry in a responsible manner, ensuring sustainability and the achievement of economic growth, transformation and job-creation, whilst simultaneously addressing some of the negative aspects of the liquor industry, whether real or perceived.

Reporting to the Minister responsible for Tourism is the Destination Marketing Organisation trading as Cape Town routes Unlimited (CTRU). The primary mandate of the organisation is to market the Western Cape as a leading tourist destination of choice, both nationally and internationally.



During the 2007/08 financial year, the Executive Authority responsible for economic development submitted a revised version of the Liquor Bill to the Provincial legislature.

During the period under review, the following international trips were undertaken by the Executive Authorities on behalf of the Department:

Executive Authority	Place Visited	Purpose	Dates (From – To)	Official(s) Accompanying MIN
Minister L Brown	Shandong, China	To investigate areas of tourism co-operation between Shandong Province and the Western Cape	28 Oct. – 7 Nov. 2007	L Schuurman
	London, United Kingdom	To attend the World Travel Market	11 – 18 Nov. 2007	N Ntenetya V Mbata
Minister T Essop	Munich, Germany	Sharing Government information and best practices with the Bavarian	23 Sept. – 3 Oct. 2007	

1.4 Mission statement

The Department's mission is a commitment to drive key economic sectors that will grow the economy in a manner that will create decent work for entrants into the labour market, and to ensure that the number of people dependent on social welfare is reduced.

We aim to grow and transform our economy through micro-economic interventions and to ensure social, economic and environmental equity outcomes are met.

1.5 Legislative mandate

There are a vast number of acts that play a role in the Department's work ambit, the more important acts and policies are mentioned:

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

To regulate financial management in the Department to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively, and to provide the responsibilities and authority to persons entrusted with financial management in the Department.

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

To establish the Western Cape Investment and Trade Promotion Agency (Wesgro).

Liquor Act, 2003 (Act 59 of 2003)

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

Businesses Act, 1991 (Act 71 of 1991)

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



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

To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice, to publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide matters connected therewith.

The BEE Codes of Good Practice

The BEE Codes of good practice are to be applied in the development, evaluation and monitoring of BEE charters, initiatives, transactions and other implementation mechanisms. The statement contains basic principles and essential consideration, as well as guidance in the form of explanatory, and other, material.

National Industrial Policy Framework (NIPF)

National industrial policy is to play a central role in identifying and addressing constraints that impede economic development. The NIPF has a fundamental role to play in achieving the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) goals of accelerating GDP growth to over six percent by 2010 and to halving unemployment and poverty by 2014.

Small Business Amendment Bill, 2004

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

Municipal Systems Act, 2000 (Act 32 of 2000)

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

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

To provide for the investigation, prohibition and control of unfair business practices and to establish an Office of the Consumer Protector and Consumer Affairs Tribunals.

The National Integrated Manufacturing Strategy (NIMS)

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

The Advanced Manufacturing and Technological Strategy (AMTS)

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

Western Cape Tourism Development Framework (WCTD Framework)

Provides for the destination, vision and strategy for tourism in the Western Cape, and is the high level sector strategy for tourism that forms part of the Department's Micro-economic Development Strategy. The Western Cape Tourism

Development Framework ensures JOINT planning, budgeting and implementation between the 3 spheres of government in the first instance and all of the social partners in the second instance. The Western Cape Tourism Development Framework has defined targets and outcomes that need to be achieved over a ten-year timeframe. It is a living and dynamic document, with research constantly being added to the evidence base and analysis being adjusted as circumstances change. There will be a major



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

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

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

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

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

To provide for the establishment of the Destination Marketing Organisation (DMO).

White Paper on Sustainable Tourism Development and Promotion (2001)

The White Paper on Sustainable Tourism Development and Promotion in the Western Cape provides the policy foundations and competitive strategy for the Western Cape to become a leading global tourism destination.



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Part Two

Programme Performance



Annual Report 2007/2008



Part 2: Performance

Voted Funds

Appropriation R'000	Adjustments R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
214 152	(8 766)	205 386	203 197	2 189
Responsible Ministers	Minister of Environment, Planning and Economic Development Ms Tasneem Essop Minister of Finance and Tourism Ms Lynne Brown			
Administering Dept	Department of Economic Development and Tourism			
Accounting Officer	Acting Deputy Director-General of Economic Development and Tourism Ms J Johnston			

Aim of vote

In expressing the vision of a Western Cape which offers dignity, equity and prosperity to all persons who call the Province home, the Department has focused its aims to include:

- Promoting and mobilising investment and creating decent work for all.
- Ensuring economic empowerment for all, especially for black people, people with disabilities, women and youth.
- Eradicating poverty and addressing the legacy of under-development.
- Strategically engaging globalisation to the best advantage of the Province.

Key measurable objectives, programmes and achievements

Key measurable objectives

Stemming from the stated mandate of the Department above, the following Strategic Objectives were derived after investigating national and provincial imperatives, strategies and

legislation:

- To ensure good corporate governance within the Department.
- To enhance the delivery of services provided by the Department.
- To grow the economy in a sustainable manner, for the benefit of 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.

To give effect to the above-mentioned strategic objectives, the Department was organised into five programmes namely Administration, Integrated Economic Development Services



The Administration programme was primarily responsible for the overall management of the Department and included such functions as financial and human resource management, research and performance monitoring and evaluation.

The IEDS programme's primary function was to provide support to the broader economic citizenry of the Province and address transformation. This programme drives the catalytic RED Initiative, as well as complementary and broader interventions such as entrepreneurship, mentorship, and economic empowerment in order to ensure that the economy is developed and grows in a shared, accelerated and sustainable manner. The programme also focused on increasing the capacity of Local Authorities to engage in meaningful economic development strategies.

To give effect to the strategic objective of creating a fair and conducive business environment, the BRG programme was instituted. Core responsibilities under this programme's jurisdiction were the regulation of liquor industry and the management of the consumer protection function.

The programmes of Trade and Industry Development and Tourism were primarily responsible for making citizens and enterprises effective players in the global economy and growing the economy in a sustainable manner. The focus of these programmes was on selected sectors and the development of interventions within the framework of areas such as investment, marketing, SME development, competitiveness and skills development.

The first goal of the Department was to identify sectors where growth could be significantly enhanced through government assistance. But a singular focus on growth does not suffice. The Department was cognizant of the inherited inequality that characterises and shapes economic and social life in the Western Cape. Hence it sought to focus policy initiatives on spreading the gains of economic growth, especially through employment growth.

In addition, the Department sought policies that would facilitate the entry of new firms, particularly black and female owned firms. Consequently, equity considerations and employment creation were amongst the criteria used in prioritising key sectors

and interventions for sectoral development.

A major theme that was reported in all the MEDS research was that of emerging skill shortages. The skill shortage is a significant constraint on further growth, and policy to address this issue is accordingly of high priority.

The needs of the economy far exceeds that of the capacity and budget of the Department. Therefore, the foundation of the implementation mechanisms was to create public-private institutions - either as sector partnerships or independent 'special purpose vehicles' to bring together government, industry, academia, civil society and labour as relevant.

Service delivery and intervention capabilities of the type required are not readily available on the market. It became imperative that intra-departmental institutional learning be cultivated as a conscious, regular and formalised practice in order to develop the Department's institutional memory and knowledge base as mechanisms to enhance service efficacy and efficiency, as well as extra departmental sustainability of service offerings.

Overview of the service delivery environment for 2007/2008

Structure of the Western Cape Economy

The Western Cape economic cycle broadly tracks that of the national economy. Therefore the same factors which affect the national economic climate will impact locally. The depreciation of the rand exchange rate and the increase in inflation and interest rates will impact on the level of growth in the Western Cape.

According to Stats SA Community Survey 2007, 5 278 585 people live in the Western Cape, constituting 10,9% of South Africa's total population. This census results shows that the population of the Western Cape increased from 4 524 335 in 2001 to 5 278 585 in 2007 representing a 16,7% increase. The above average population growth rate is largely attributed to lower HIV/AIDS mortality rates and higher inward migration compared to other provinces.



Regional Growth Domestic Product (GDPR) per capita was estimated at R53,489 in 2007 whereas the country's Growth Domestic Product (GDP) was estimated at R36,886. This GDPR figure places the Western Cape, together with Gauteng, at the top of the provincial development range.

The Western Cape has a well-balanced economy, with a diverse range of industries and niche sectors contributing towards its regional GDP. This industry diversification minimizes the Province's dependence and exposure to any one dominant sector.

In 2005, services represented 67,5% of GDPR while agriculture accounted for 4,3% and manufacturing 18%. Although manufacturing and agriculture ranks lower in its GDPR contributions compared to services, these sectors are, however, characterised by strong, developed, niche markets coupled with a healthy export-orientation. In addition, these industries are also well placed to absorb lower and semi-skilled workers.

At the sub – sector level, finance and business services is the largest contributor to the Province's GDP, which was estimated at around 25% in 2006. In addition, the region also boasts a well-developed tourism industry, a relatively strong and diversified construction industry, coupled with fishing, professional services, higher education and transport sectors.

Socio-Economic Factors

The Western Cape's socio-economic activities such as health facilities, access to piped water, electricity, flush toilets, communication and education are considered the best, (together with Gauteng) when compared to the rest of the country.

The Western Cape produces a significant share of the national total of skills arising from public higher education institutions – particularly in the science technology and engineering fields (23% and 20% respectively). This achievement is understated as the quality of the Western Cape's institutions are particularly high. Furthermore, students in these institutions are more likely to complete a postgraduate education – in 2005, 30% of the country's doctorates were awarded to Western

Cape public higher education institutions (WCED, 2006:34).

In addition, skilled labour, both national and foreign, is particularly attracted to the lifestyle and natural characteristics of the Western Cape region.

However, Illiteracy rates in the Western Cape remain particularly high in rural areas with the Central Karoo recording illiteracy rates of 37% for persons over the age of 14 (SEPLG 2006).

Poverty and inequality, although lower than the national average, remain high in the Western Cape. Despite recent economic growth, the incidence of poverty grew from 23% to 28% between 1999 and 2005 (Stats SA 2007). The provisional "poverty line" used by Statistics South Africa includes households who earned less than R 1,199 per month.

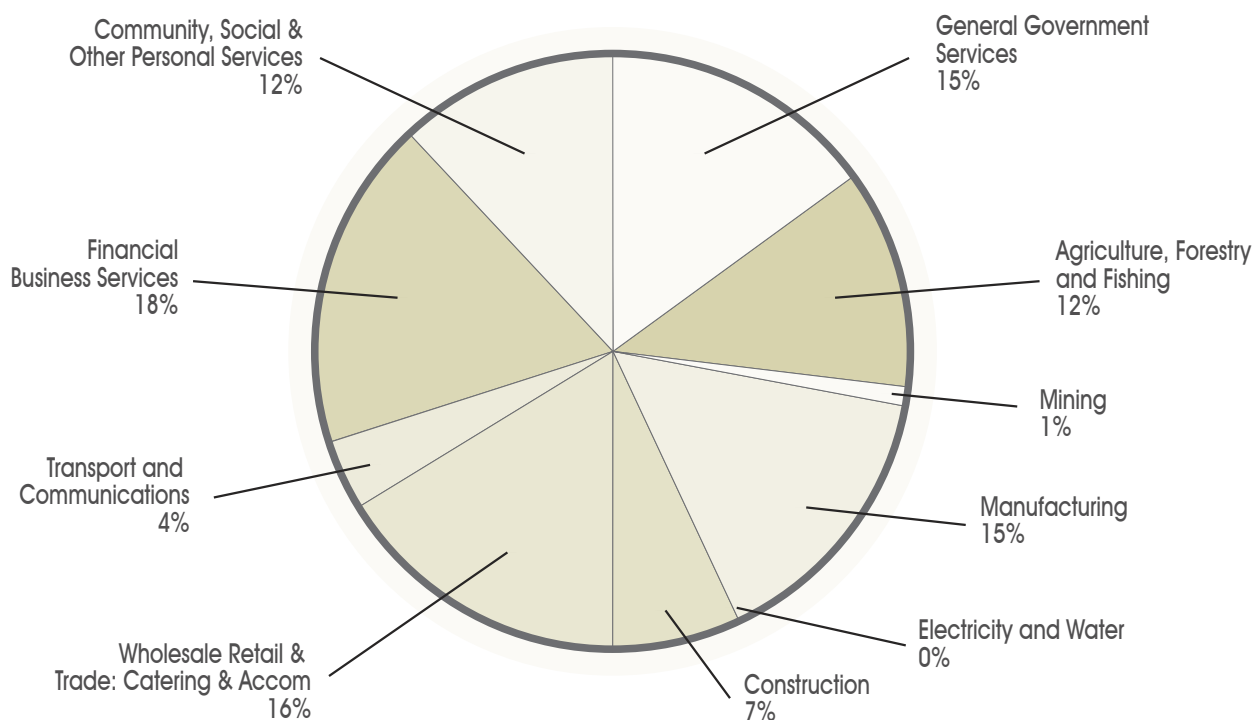
While recent improvements in regional unemployment figures might limit these trends and while the increase can be in part explained by the influx of unskilled migrants, the growth of poverty remains a deep concern. Outside purely income-based criteria, the disadvantaged have inherited a spatial structure from Apartheid that constrains their mobility and timely access to areas of employment.

The current energy crisis has negatively impacted on economic activity and as a result affected household consumption. Consequently, alternate energy sources such as solar panels, are being explored in an attempt to minimize the current challenges faced by businesses as a result of the crisis.



Sectoral and Employment Prospects

Figure 1: Sectoral contribution to Western Cape employment, 2005



Source: Quantec Research 2007

Between 2000 and 2005, the Western Cape's working-age population grew at a rate of 2,3 per cent a year, placing the Province under greater pressure to create jobs than the rest of SA.

The analysis draws on the 2000 and the 2005 Labour Force Surveys, the latter based on information from data for the Western Cape 11 600 individuals and 3 230 households

Broad unemployment in the Province is higher in 2005 than it was in 2000, having risen to 591 000 from 426 000. This increase in broad unemployment is equivalent to an average growth rate of 6,8 per cent a year. A similar, though less rapid, rate of growth was observed nationally, where the number of broadly unemployed individuals rose by 1,4 million.

In 2005, broad unemployment in the Western Cape reached 25,5 per cent in comparison to 38,8 per cent nationally.

The bulk of employment expansion in the Western Cape has occurred in the tertiary sector, driven largely by the rapid growth in wholesale & retail trade.

Disaggregation of the employment rate by race reveals substantial inter-group variations. Although at a generally lower employment rate compared to other race groups, the employment of the African working age population in the Province improved slightly from 45,4% to 49,3% between 2000 and 2005. This situation is in contrast to the coloured and white employment rates which declined marginally, falling to 54,3 per cent and 61,3 per cent respectively over the sample period.

In 2005, 12,1% of the Western Cape's work force was employed in agriculture, forestry & fishing. Manufacturing employed close to 15 per cent. Almost three-quarters (72,5%) were employed in service activities, led by financial & business services (18,3%), wholesale & retail trade, catering & accommodation (16,3%), government services (15%), and CSP services (11,8%).



Over the period 1995 to 2005 long-term growth rates were highest in financial & business services (5,3%). Wholesale & retail trade, catering & accommodation as well as community, social & other services grew by between 1,3% and 1,7%. All other sectors declined, except manufacturing, which stagnated.

Fortunately, the more recent picture looks considerably brighter. While from 2004 to 2005 employment fell in manufacturing (-10,6%), as well as in agriculture, fishing & forestry (-18,6%), and in CSP services (-9,8%), overall job growth picked up by 3,2%, more than a point higher than in the previous year.

Job creation was especially vibrant in transport and communications (52,1%), financial & business services (27,1%), construction (23,7%), electricity and water (17,4%).

In summary, job gains in the service sector more than compensated for job losses in the primary and secondary sectors. This situation means that at a macro level the economy is shifting toward activities in the tertiary sector.

Overview of the organisational environment for 2007/2008

To achieve its mandates, the Department is structured to align its delivery portfolio to the implementation of the Micro-Economic Development Strategy. Each of the programmes comprise of between 3 - 4 specialised units and ensure, together with partner institutions, the implementation of several key interventions in order to facilitate growth of enterprises and to facilitate job creation (refer to Figure 2).

The organisational arrangement therefore accommodates a broad operational constellation of specialised fields and activities, and provides for the co-ordination of various economic imperatives in varying degrees of depth and breadth.

In July 2007, an acting Accounting Officer was appointed when the previous incumbent opted not to be re-appointed in an acting capacity in the Department. The timing of this co-incided with the

resignation of the Chief Director: Integrated Economic Development Services and the appointment of the Chief Director of Tourism.

This was followed by the departure of the Director: Human Resource Management and Support Services to take up a promotion at a National Department. Given the drive to fill the vacancies, the Department filled six Director positions. The ripple effect resulted in a new cache of leadership in the Department. While the new incumbents familiarised themselves with the demands of their positions, the Department was able to deliver on its core mandate with the majority of management posts filled during the period under review.

The labour strike during mid 2007 also negatively impacted on the Department's service delivery. While only 12 persons within the Department partook in the strike action, the Department was affected in terms of service delivery by other more affected departments who provide key services to this Department.

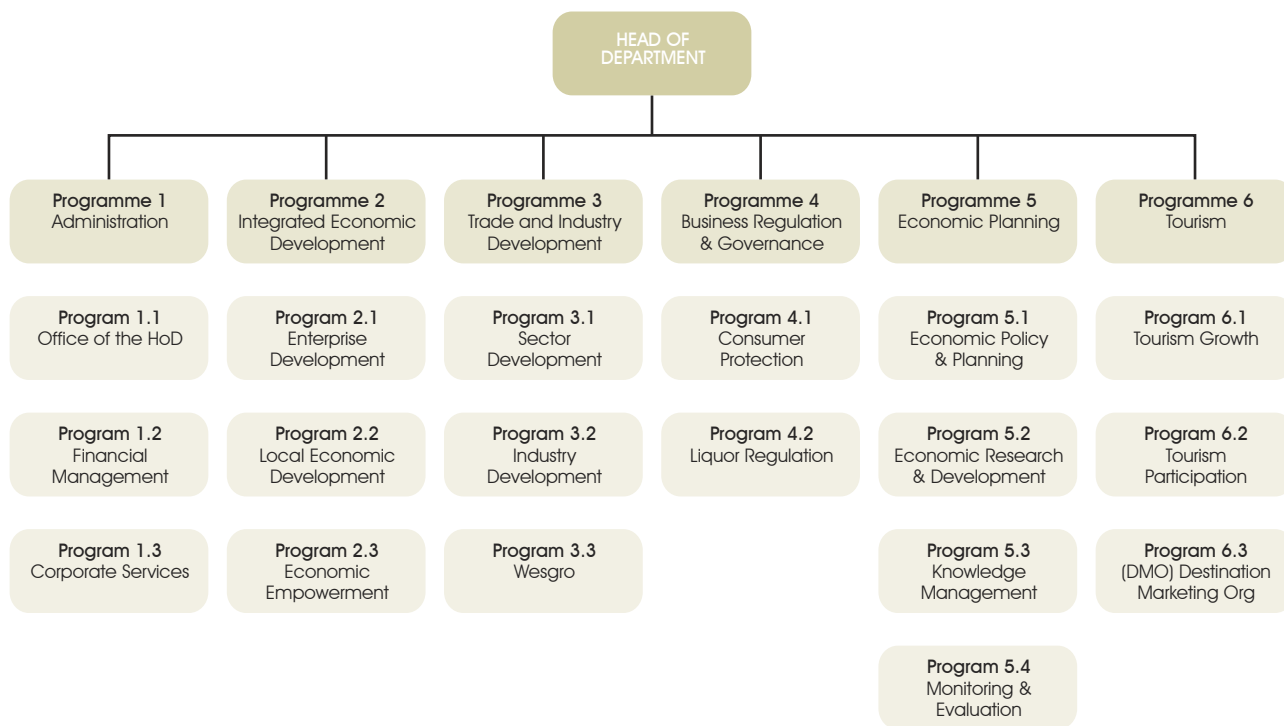
In terms of Liquor regulation, the Department experienced a serious setback when the proposed Liquor Bill, although approved by Parliament, was not signed into law by the Premier. This non-enactment created serious delays in terms of establishing the Liquor Board as a fully fledged public entity and in the delivery of projects and programs recommended in terms of the Legislation.

A further negative impact of the non-enactment of the Legislation, was that the Department was not able to collect on its full allocation of revenue as budgeted for 2007/2008. Subsequently, revenue projections figures were downscaled significantly, impacting on the available budget accruing to the Department and more significantly on projects and programs delivered by the Department.

While not many projects were cancelled, a significant number of initiatives was downscaled or amended to accommodate the new budget allocations available to the Department. In addition, the recruitment of specific much-needed additional capacity was placed on hold.



Figure 2: Departmental Structure



Strategic overview and key policy developments for the 2007/2008 financial year

In 2004, the Micro-Economic Development Strategy MEDS was conceived and after a thorough process of research, strategies were formulated, and then implemented in 2006/2007. The past financial year, 2007/2008, saw the Micro-Economic Development Strategy firmly entrenched within the activities of the Department of Economic Development and Tourism.

As the Department cements the range of MED's interventions introduced in 2006/2007 and within this context more deeply formulates the MED's priorities for 2007/2008 regarding skills development, enterprise development, sector support, fair business environment, strengthening our institutions for delivery and the policies relating to spatial distribution, we begin to reflect on what the MEDS has accomplished and begin to chart the quantum leap into the second phase of evolution.

The Micro-Economic Development Strategy Process (MEDS)

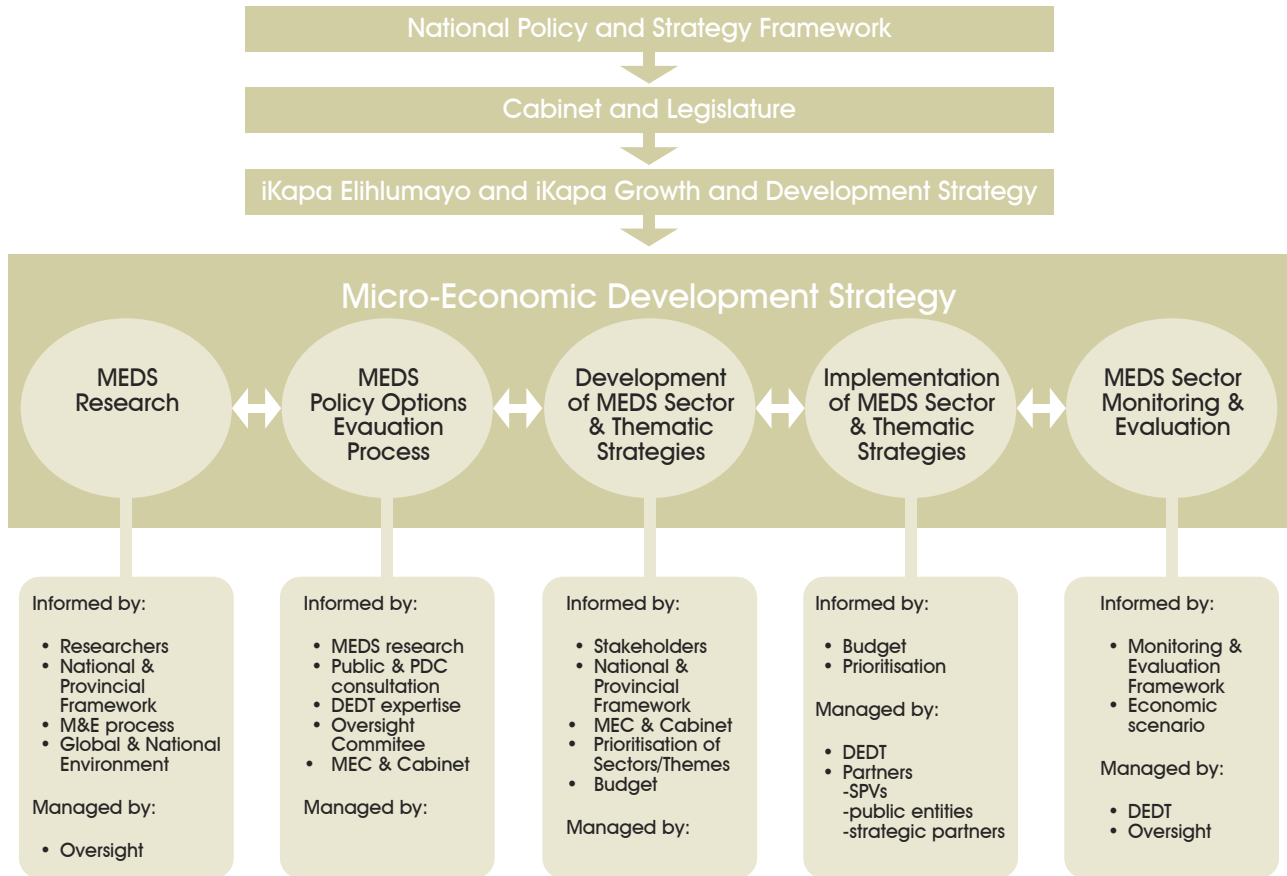
The Micro-economic Development Strategy (MEDS) is a set of focused economic strategies to grow and transform the economy of the Western Cape, overlaid by an additional set of crosscutting thematic strategies.

The MEDS is an accumulation of processes, which is reiterative and evolving, responsive to the economic and political environment in which it operates, receptive to its stakeholders and the citizens of the Provinces and alert to the lessons derived from its implementation.

The essence of the MEDS process is diagram-matically illustrated in **Figure 3**, which demonstrates the MEDS methodology, the legislative framework in which it functions and the impact and inputs from the stakeholders and the environment.



Figure 3: The Methodology of the Micro-Economic Development Strategy



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To ensure that the sector and crosscutting thematic strategies are co-ordinated and cohesive, a disciplined and systematic approach has been followed in the development of each of the strategies. Consequently, all sector and thematic strategies contain common themes and thrusts, although the nature of programmes and projects therein differ significantly as they need to accommodate the specific needs of the various industries and cross-cutters.

The broad categories within each strategy address the needs of the economy and objectives of the Department, namely: growth, competitiveness and participation.

Each of these broad categories are comprised of sub-components that organizes all challenges and

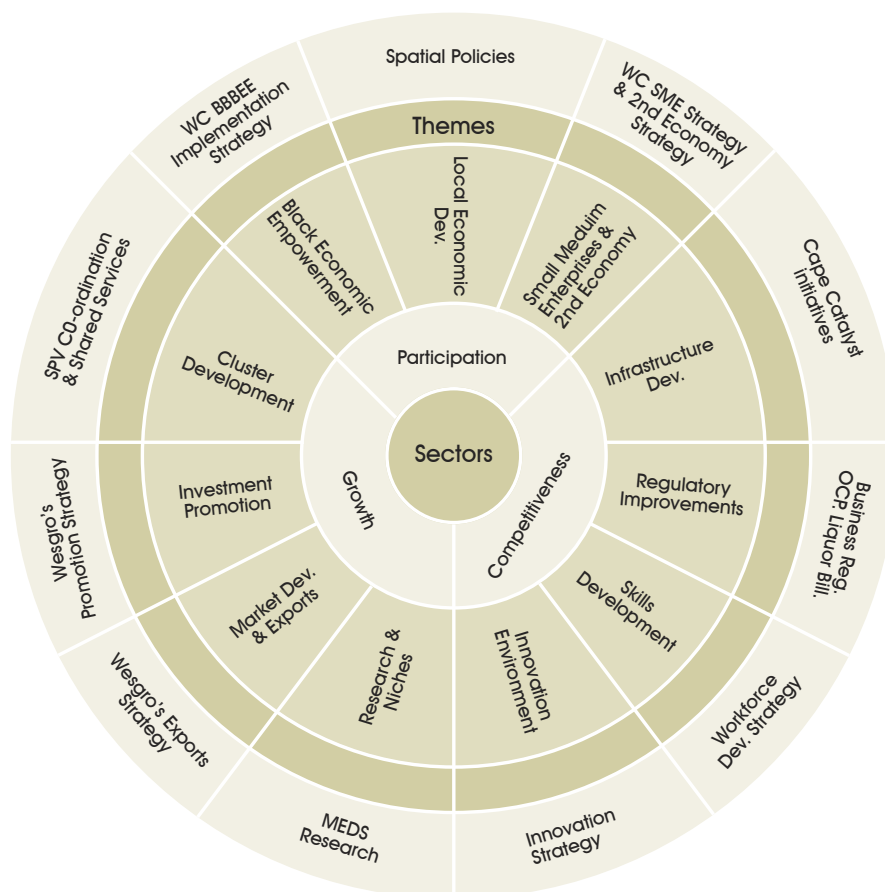
issues facing sectors and cross-cutting themes, and the sub-components are as follows: Growth – stakeholder co-ordination, investment promotion/financial support, market development and exports, and research and M&E; Competitiveness - infrastructure development, innovation, skills development, and regulatory improvements; and Participation - SME development, local economic development, and BBBEE. (See figure 4.)

Each MEDS sector and thematic strategy is therefore organised in a manner which allows it to interact and co-ordinate with other MEDS strategies and units and fulfil the imperatives of the Province in a coherent manner.



A schematic illustration of the strategies is contained in the figure below:

Figure 4: The Core Elements of the Micro-Economic Development Strategy



Assessment of the Micro-Economic Development Strategy

The first phase of the Micro-Economic Development Strategy has been implemented. This Phase has concentrated largely on soft infrastructure, developing and enhancing support services and offerings, building up institutional capacity, broadening and deepening partnerships, and improving reach and accessibility. This has been developed in conjunction with the refinement of quantifiable targets and objectives. Given the focussed approach of the MEDS on high potential sectors and themes, the accomplishments have been varied and diverse, but each element is vital and relevant - positively, intra-dependently and synergically feeding into the holistic framework which comprises the MEDS.

In calculating the overall outcomes of the MEDS, the process of determining aggregate figures has been complicated by the fact that the Department had been revising its Monitoring and Evaluation System during the financial year 2007/2008, because it had been subject to the finalisation of the Provincial Monitoring and Evaluation Framework.

As there were variations in definitions of indicators and different emphasis on what to measure, compilation of the data proved to be challenging. Notwithstanding the above, the Department was able to compile a fairly accurate quantitative measure of job facilitated as a result of the MEDS, namely 68 746 since 2004/2005. The figure is drawn from the various programmes and initiatives that have emanated from the MEDS sector and thematic strategies.



The Department was able to achieve this outcome with limited capacity and limited budget, mainly because there was a strategic and integrated framework in which the programmes and initiatives were implemented, which maximized impact. In addition, the Department nurtured and harnessed relationships with partners and stakeholders to crowd-in expertise and finances, therefore implementing initiatives that extended beyond our budget remit.

While the indicative figures demonstrate that the MEDS is delivering on the organisation's objectives, the Department is cognizant that significant progress still needs to be made to reach the Millennium and ASGISA goals, to ensure that all citizens benefit from shared growth and have opportunities for employment.

The orientation of our programmes is not to create short-term jobs, but jobs that are sustainable. However, as a Province, we face challenges. The global economy is facing trying and uncertain times, and with the region's export-orientation, the international slowdown will impact on the Western Cape. Inflation has accelerated, and with the resulting interest rates hikes, consumer spending which generates a substantial part of South Africa's economic activity, has undergone a decline.

It is within the sobering context of current economic environment, that the Department charts the path for the second phase of the MEDS implementation programmes.

The second phase of MEDS is not only about doing more of the same, although there is a definite role

for broadening those initiatives which are clearly working well. The second phase of the MEDS will begin to capitalize on the foundations laid by the current set of Phase One interventions, examine the hard infrastructure needs of the economy, and address some of the systematic challenges facing industry, SMEs, and the unemployed.

The Department will also be seeking to implement interventions contained within the first phase MEDS plan that were not implemented because of funding constraints. These interventions need to be prioritized for implementation if still relevant. The Department will also be balancing the tendency to pursue ever-increasing 'showcase' numbers with the need to provide meaningful and quality services which increase the sustainability of businesses assisted and jobs facilitated.

In addition, the second phase of the MEDS will need to look at bold catalytic interventions which will make a quantum difference in the trajectory and nature of the regional economy.

Having stated the intentions of the Department with respect to the way forward, there is some disjuncture in what the organisation needs to accomplish and what the organisation is able to accomplish. This relates mainly to capacity and budget, in that order of priority. The Department is clear on what needs to be done, and the catalytic role that it can play in improving the economic environment for all the region's citizens. Job creation is one of the most singular long-term solutions to many of the challenges faced by our young democracy. Moderation, however comes because of capacity and budget.

Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

An amount of R 20,770 million was originally budgeted for the 2007/2008 financial year. This budget was projected to be sourced from the following funding sources:

- Liquor revenue: R 20, 5 million
- Sales from goods and services (Tourist guide registration fees): R 270 000

It should be noted, that the revenue that was to accrue as a result of liquor license fees was budgeted subject to the new Liquor Bill being enacted by the Premier. While the Liquor Bill was approved by the Provincial Cabinet, the Premier however did not attest the bill, therefore resulting in it not being enacted.



As a result, revenue projected for liquor license fees was adjusted downwards by R 16 million to R 4, 5 million during the adjustment estimate process. This adjustment, therefore resulted in a revised revenue estimation of R 6, 559 million for the financial year.

As at the end of the reporting period, the Department over collected on its adjusted estimate of R 6, 559 million by R 3,990 million or 60, 8%. This was primarily due to the Department receiving funds from Wesgro and the DMO, due to their accumulated surpluses from the previous financial year.

	2004/05 Actual R'000	2005/06 Actual R'000	2006/07 Actual R'000	2007/08 Target R'000	2007/08 Actual R'000	% deviation from target
Tax revenue	3 781	4 298	4 236	4 500	4 645	3,2
Liquor licenses	3 781	4 298	4 236	4 500	4 645	3,2
Non-tax revenue	2 156	330	6 929	2 059	5 904	186,7
Sales of goods and services other than capital assets	284	266	309	270	308	14,1
Interest, dividends and rent on land	2				6	100
Sales of capital assets (Capital Revenue)	15					
Other capital assets	15					
Financial transactions (Recovery of loans & advances)	1 855	64	6 620	1 789	5 590	212,5
TOTAL DEPARTMENTAL RECEIPTS	5 937	4 628	11 165	6 559	10 549	60,8

Departmental expenditure

The Department had an original budget estimate of R 214,152 million for the 2007/2008 financial year.

As discussed above, during the adjustment estimate process, the Department surrendered an amount of R 16 million due to the inability to collect on its estimated revenue budget.

However, the Department also received funding

during the Adjustment Estimate process amounting to R 7,689 million as a result of revenue retention (R3, 5 million), roll-overs (R 2, 4 million) and increased own revenue (R 1, 789 million).

This resulted in a net loss on estimated expenditure amounting to R 8, 766 million. The appropriation of the Department was therefore adjusted to R 205, 386 million.

Programmes	Voted for 2007/08 R'000	Roll-overs & adjustments R'000	Virement R'000	Total voted R'000	Actual Expenditure R'000	Variance
Administration	23 264	-500	1 703	24 467	24 334	133
Integrated Economic Development Services	63 535	-855	-1 524	61 156	61 020	136
Trade and Industry Development	64 885	-3 950	-	60 935	59 850	1 085
Business Regulation & Governance	13 970	-1 850	-105	12 015	11 427	588
Tourism	48 498	-1 611	-74	46 813	46 566	247
Total	214 152	-8 766	-	205 386	203 197	2 189



Transfer payments

Name Of Institution	Amount Transferred	Estimate Expenditure	Monitoring Mechanisms
Programme 1: Administration			
	R'000	R'000	
Government Motor Transport (To provide for the purchase of additional vehicles for the Department.)	378	378	Memorandum of Agreement Monthly progress reports
Programme 2: Integrated economic development services			
CASIDRA (To provide for the implementation and roll-out of the RED Initiative inclusive of: Red Doors, Red Mobile, Siyabulela, Rural Voucher Programme, Outreach Program and In-touch.)	29 420	14 652	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed Quarterly site visits
CSIR (To provide for the implementation of the Rural Economic Assistance Fund [REAF].)	10 500	0	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed Quarterly site visits
Proceed (To provide for the hosting of the Small Business Week.)	300	300	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
SEDA (To provide for the training of RED Door staff and the roll-out of training programmes aimed at clients of the RED Door.)	1 000	1 000	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
WESGRO (To provide for the sourcing of economic opportunities, globally and nationally, for Die Plek Plan programme.)	500	500	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
ASNAPP (To provide for the Haarlem Honey-bush Tea project.)	150	0	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Programme 3: Trade and industry development			
WESGRO (To provide for the operational and programmatic thrusts of Wesgro)	11 100	11 100	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Provincial Development Council (To provide for the facilitation and implementation of various stakeholder meetings, including liaison with National, Provincial and Local Government, in terms of the development of a Western Cape Aquaculture Policy and Strategy and an international policy and strategy workshop.)	370	370	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed



Name Of Institution	Amount Transferred	Estimate Expenditure	Monitoring Mechanisms
	R'000	R'000	
Chemrawn XII Conference	45	45	Once off payment
Sesfikile Wines	10	10	Once off payment
Aquaculture Institute of South Africa (To provide for the Western Cape Aquaculture policy development process; organising an international stakeholder workshop; a technical advisory role in terms of the PDC Aquaculture International Site Visits to Vietnam and the Philippines; the implementation of a Quality and Health Management Programme; the development of a skills development and training programme (STP); and strengthening of the cluster and marketing.)	750	380	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Cape Clothing and Textile Cluster (To provide for the facilitation/co-ordination of all cluster initiatives including skills upgrade, re-skilling, benchmarking, industry workshops and general industry support.)	1 000	1 000	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Clotex (To provide for facilitation/co-ordination of all industry initiatives at SMME level. This includes workshops, benchmarking programs, etc.)	1 000	1 000	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Furntech (To provide for the implementation of training programmes and projects to develop new ideas and products that will improve the competitiveness of the furniture industry.)	250	115	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Cape Town Boat Building Initiative	1 800	510	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Western Cape Tooling Initiative (To provide for operational costs and programmatic funding for the SPV to enable the delivery of competitiveness, marketing and enterprise development.)	1 500	1 500	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
South African Oil and Gas Alliance	4 900	0	Once off payment
			Memorandum of Agreement Monthly progress reports Annual financial statements reviewed



Name Of Institution	Amount Transferred	Estimate Expenditure	Monitoring Mechanisms
	R'000	R'000	
<p>Cape IT Initiative</p> <p>(To provide for operational costs & programmatic funding for the SPV to enable the delivery of competitiveness, marketing, investment promotion & enterprise development.)</p>	2 800	1 600	<p>Memorandum of Agreement</p> <p>Monthly progress reports</p> <p>Annual financial statements reviewed</p>
<p>Calling the Cape</p> <p>(To provide for operational costs & programmatic funding for the SPV to enable the delivery of competitiveness, marketing, investment promotion and enterprise development.)</p>	7 500	6 750	<p>Memorandum of Agreement</p> <p>Monthly progress reports</p> <p>Annual financial statements reviewed</p>
<p>Interactive Africa</p> <p>(To provide for an annual expo & conference to showcase local design across sectors and engage with national & international leaders & buyers – The Design Indaba.)</p>	1 000	1 000	<p>Memorandum of Agreement</p> <p>Monthly progress reports</p> <p>Annual financial statements reviewed</p>
<p>Cape Africa Platform</p> <p>(To provide for the Cape Africa Platform to produce contemporary African art events for Cape Town, South Africa and Africa.)</p>	900	747	<p>Memorandum of Agreement</p> <p>Monthly progress reports</p> <p>Annual financial statements reviewed</p>
<p>Visual Arts Network of South Africa</p> <p>(To provide for the Visual Arts Network of South Africa, that provides the tools or access to the tools - information, technology, skills & expertise, etc - required by the visual & creative arts sector to best create, produce, market and distribute their work, locally, nationally and internationally.)</p>	250	90	<p>Memorandum of Agreement</p> <p>Monthly progress reports</p> <p>Annual financial statements reviewed</p>
<p>Contact Inclusive</p> <p>(To provide for the building of a vibrant international knowledge-based network of youth students and young professionals engaged in development and business practice. It is the implementing agent for the development of a Hip Hop networking platform, from which to promote economic programmes that will introduce emerging entrepreneurs to opportunities within the Hip Hop sector within the Western Cape.)</p>	150	0	<p>Memorandum of Agreement</p> <p>Monthly progress reports</p> <p>Annual financial statements reviewed</p>
<p>Cape Music Industry Commission</p> <p>(To provide for the positioning of the region as a competitive music production centre; to provide all stakeholders in the "value-chain" with superior specialised services and information, to create a strong design identity and grow local content, to focus on audience development; to create and grow niche markets; to develop and identify core skills & shortages; to create business opportunities;</p>	450	25	<p>Memorandum of Agreement</p> <p>Monthly progress reports</p> <p>Annual financial statements reviewed</p>



Name Of Institution	Amount Transferred	Estimate Expenditure	Monitoring Mechanisms
	R'000	R'000	
Performing Arts Network of South Africa (PANSAs is a national network of individuals, NGO's, service providers and mainstream institutions that are engaged in the practice or support of the performing arts (all forms of dance, music, opera, musical theatre and theatre). It's primary aims are to ensure that there is a sustainable performing arts industry in South Africa, where those whose livelihoods depend on the performing arts can make a decent living.)	300	218	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Cape Town Fashion Council (To provide for the funding of council programmes and events including Cape Town Fashion week, workshops targeted at emerging designers, industry networking events and designer export programmes.)	2 050	2 050	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Cape Film Commission (To provide for the economic development, marketing and promotion of the film industry through a strategy of Growth, Integration and Transformation.)	4 050	3 825	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Cape Craft and Design Institute (To provide for the Cape Craft & Design Institute (CCDI) to promote and grow craft as an economic sector in the Western Cape province of South Africa. The CCDI is a joint initiative of the Provincial Government of the Western Cape and the Cape Peninsula University of Technology.)	2 720	2 720	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
			Once off payment
Itumeleng Babedi	4	4	
Programme 4: Business regulation and governance			
FASfacts (To provide for FASfacts, an organisation that plays an instrumental role in raising awareness of the negative impacts of alcohol consumption during pregnancy. Programmes are aimed at the youth, women and farm-workers in the Boland and Overstrand areas.)	1 000	1 000	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Programme 5: Tourism			
Destination Marketing Organisation (To provide for the operational and programmatic thrusts of the DMO trading as Cape Town Route Unlimited.)	28 370	28 370	Memorandum of Agreement Quaterly progress reports Annual financial statements reviewed
WESGRO (To provide for the Investment Recruitment	150	0	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed



Name Of Institution	Amount Transferred	Estimate Expenditure	Monitoring Mechanisms
	R'000	R'000	
Sanparks (To provide financially for the tourism aspects of the Western Cape National Park Birdhive.)	275	0	
Hout Bay Business Opportunities Forum	50	0	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Cape Town Fashion Council	300		Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
CASIDRA (To provide for the upgrading of the Elands Recreational facility.)	191	0	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Cape Peninsula University of Technology (To provide for bursaries to 10 students in tourism related fields of study. The breakdown is as follows: • 3 x events, • 1 x tourism, • 3 x food and beverage, • 1 x accommodation, and • 2 x professional cookery)	150	150	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Breedekloof Wine and Tourism	130	57	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
(To provide for 4 students completing their BSc: Agriculture students.) South Cape College (To provide for HDI students from communities around the Southern Cape region who are completing studies in the following fields: • Food & Beverage – 6 students, • Tourism - 4 students, and • Hospitality - 2 students.)	120	120	Memorandum of Agreement Monthly progress reports Annual financial statements reviewed
Airports Company of South Africa	150		Memorandum of Agreement Monthly progress reports Annual financial statements reviewed



Asset management

Departments are required to provide an overview of the fixed and significant movable assets under the control of the Department. The following information should be included:

Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft.

CAPITAL ASSETS	
ITEM	Value R' 000
Transport	0
Audio visual	132
Computer hardware and systems	666
Office furniture	69
Photographic equipment	0
Office equipment	1153
Security systems	169
Software	29
IT infrastructure	753
Total	2971

EQUIPMENT LESS R5000.00 ON INVENTORY	
ITEM	Value R' 000
Audio visual	42
Computer hardware and systems	163
Office furniture	186
Photographic equipment	0
Office equipment	59
Domestic equipment	19
Cutlery and crockery	14
Cellular phones	0
Computer software	56
Paintings/sculpture	58
Total	597



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

The asset records are updated on a daily basis; taking into consideration all relevant prescripts and asset management guidelines. On a monthly basis, the asset register and the BAS reports are reconciled.

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

55% is in good condition
28 % is in a fair condition
17% is in a 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 manufacturers' service booklet, through ICT and as required.

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

No facilities were closed down or down-graded during the period under review.

Projects that will be carried forward to the forthcoming financial year.

No projects will be carried forward to the following financial year.

New projects that will commence in the forthcoming financial year.

The furnishing of the boardroom on the 1st floor due to restructuring.

Processes 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.



Programme 1: Administration

Purpose

The purpose of Programme 1: Administration is to conduct the overall management and administrative support functions, collect and collate economic statistics and perform research that will inform policy development within the Department.

Service delivery objectives and indicators

The Administration programme is primarily responsible for the overall management and support provision for the Department's activities. To ensure these primary functions are managed effectively the programme was structured into three sub-programmes, namely Office of the HoD, Financial Management and Corporate Services.

The key objectives for the Programme are to ensure good corporate governance levels within the Department and to enhance the delivery of services provided by the Department. In terms of ensuring that corporate governance levels are maintained at acceptable levels and standards and entrenched in the daily operations of the Department, a number of measures and procedures have been instituted and/or enhanced during the past fiscal year.

In so far as ensuring that the services rendered by the Department are enhanced, the Department has maintained and instituted numerous measures and procedures. These measures and procedures include among others, the maintenance of the DOPM system, developing and improving the M&E system, enhancing the corporate communications capability and strengthening of the research and policy development functions within the Department.

i Key deliverables

The "Institutional Review Process (IRP)" was one of the key Departmental deliverables for 2007/2008. The purpose was to assess various implementation agencies and Special Purpose Vehicles used by the Department, so as to ensure that we have the

appropriate institutional framework and vehicles for achieving our strategic objectives. Furthermore, the primary reason for the IRP was the overriding concern regarding the efficacy of the Provinces' agencies for economic development, and whether the alignment amongst the agencies is optimal.

The Consultants, ODA, and international partners GHK were appointed in February 2007. The IRP embarked on a thorough evaluation of five core themes being:

- Sector Development SPVs
- Small business Development (RED doors)
- Rural Development (Casidra)
- Trade & Investment (Wesgro)
- Tourism (CTRU)

Each institution within each theme was investigated, key stakeholders were interviewed, and workshops held to consider potential options. A detailed evaluation of international case studies as to relevant institutional options was examined, with an international consultancy being sub-contracted to facilitate the process. These were correlated against each other, with a number of broad-based workshops investigating appropriate institutional options, involving local and international experts. The Institutional review process was completed in July 2007. The reports and its recommendations were presented to the Cabinet in August 2007.

The Institutional review was successfully completed, and covered trade and investment promotion, rural development, enterprise development, tourism and sector development. At the start of the review, it was imagined that the end point would likely involve the design of an institution to lead economic development initiatives in the province. But through the research process, and particularly in the interaction with stakeholders at a final workshop in July, a strong consensus emerged that an immediate change in the overall institutional framework for economic development, by creating a new single agency, or an 'umbrella body', would not be constructive.

The comparative research illustrated strongly that



process and it would be years before such a body would be able to begin the implementation of projects.

The solution above, where a small and focused unit, able to call upon the authority of the Provincial Government, implements a series of major projects with the scale and reach to have a transformative impact on the terrain for economic development over the next 20 to 30 years is viewed as a far better way forward. On the basis of the terrain covered by the review the report provides guidance on what such mega projects would be.

ii Major Outputs for the financial year under review

The **Financial Management** Sub-programme, under the leadership of the Chief Financial Officer has for the past financial year taken the President's call for "Business Unusual" to heart during the past financial year and focussed primarily on improving the effectiveness, economic viability and efficiency of systems developed since the inception of the Department.

With this in mind, the sub-programme highly successful in improving its delivery in a number of core areas such as monitoring and reporting, overall communication with other units in the Department, minimising financial risks to the Department and assisting line managers in understanding their roles and responsibilities, with regard to improving financial performance.

Key achievements for the sub-programme include:

- Managing the Department's budget to within 1,5% of its adjusted appropriation;
- The implementation and furtherance of risk management policies and practices;
- The furtherance of fraud prevention plan implementation including the hosting of a successful fraud awareness and prevention day;
- Improving payment turn around times;
- The roll-out of a successful training programme to the entire department; and
- Improving the evaluation of business plans and strategies instituted by the Department.

Within the **Corporate Services Sub-programme**, the **Directorate Human Resource Management and Support Services** assisted in delivering a quality service to the line function Departmental units and staff in general. The following improvements were implemented:

- Addressing the vacancy rate by cutting back on the turn around time for filling of posts. The Department's vacancy rate improved from 52% (2006/07) to 22% (2007/08)
- The revised organisational model for the Chief directorate Trade and Industry Development was completed and approved,
- Developing and approval of the Departmental filing plan,
- Employee health and wellness information sessions were successfully conducted for the Department.

The **Directorate: Strategic Co-ordination** is responsible for the management of the Departmental Operations Performance Management System, Research Support, and Communications.

The **DOPMS** unit facilitates the electronic Departmental Operations Performance Management System which serves as a tool for monitoring performance and progress as well as management reporting for the Department. Directly linked to this is the monitoring and evaluation function, which was formally set in motion during this financial year.

The Unit also provides training in the use of the system, managed the updating and extraction of reports and co-ordinates DOPMS meetings where the HoD has the opportunity to discuss project progress with the staff of all Directorates in the Department.

The **Communications Unit** provides a cohesive support service to all Departmental units with regard to communication and corporate image enhancement, including delivery of a comprehensive Communications Strategy for the Department. The communication strategy was overhauled in 2007/08, with the key decision taken that while communication would be co-ordinated by Corporate Services, its implementation would



This decision was taken in recognition of the specialised nature and specific communication needs of each of the Programmes. While the strategy was finalised, further refinements are expected pending the finalisation of the Provincial Communications and Branding Strategy.

Research Support Unit: Micro-economic Development Strategy (MEDS) - The MEDS research provides an important tool for the Department, as this is the initial point of reference from which all MEDS strategies, projects and programmes are based.

The MEDS was one of a set of provincial strategies, which are being developed as a common point of departure for provincial government and to assist in providing a common understanding of the regional economic context.

The MEDS has provided a broad depiction of the critical factors and the important trends, which affect the economy in its regional, national and global milieu. It also guided and directed provincial involvement and engagement with the external strategic stakeholders.

During the year under review, the Department has completed the fourth round of research within the Micro-Economic Development Strategy (MEDS). In this respect, an oversight committee comprising national academics has been established to guide and provide quality control within the research.

The MEDS research continued to provide critical information regarding the economic landscape of the Province in the following priority areas:

- Music industry within the Creative Sector,
- Informal Trade within the Informal Economy,
- Spatial Translation of the MEDS sectors,
- 2010 Economic opportunities for SME's.

Upon completion of each of the above-mentioned studies, a total of four workshops had been held, attended by 72 people (consisting of internal and external stakeholders) who participated in discussions on the research results and their policy recommendations.

Due to logistic reasons, the MEDS public hearing was postponed and will be conducted in the first

quarter of 2008/2009. It is critically important to have all the key stakeholders attend the MEDS public hearings, in order for the public to derive optimal benefit from the research and policy recommendations presented.

Operations Performance Management System (DOPMS)

The DOPMS unit of the Directorate: Strategic Co-ordination successfully concluded the design of a Results-based Monitoring and Evaluation Framework for the Department, aligned to the Provincial Monitoring and Evaluation System and the Department's strategic goals. Linked to this was a complete review and re-design of the Departmental Operations Performance Management System (the DOPMS), which will be used as the technical instrument for execution of monitoring and evaluation. The new DOPMS is aligned to the Department's Annual Performance Plan, Quarterly and Annual Reports, and facilitates a far more efficient and effective performance management service.

DOPMS (operational) meetings have been held on a continuous basis with the Chief Directorates and Divisions within the Department. These meetings ensured that projects are continuously updated on the system; and more importantly that project performance is continually monitored. Also, the DOPMS has been aligned to planning, monitoring and evaluation components of the DOPMS, and thereby ensuring standardisation across the Department in both reporting format of projects and the evaluation thereof.

In order for monitoring and evaluation to be entrenched and acknowledged as an integral part of the Department's work, staff has to be effectively capacitated and trained in monitoring and evaluation. To this end, the unit facilitated two training courses offered by the University of Stellenbosch and a total of 30 key staff attended. The courses are certified at NQF level 7.

In addition to the above, and in line with the unit's strategic objectives, monitoring of the Department's key strategic objectives was accomplished through the provision of progress reports on delivery of



Departmental projects and programmes to the key strategic stakeholders.

Communications and Corporate Image Management

During the year under review the sub-directorate: Communications was responsible for the implementation of communication and corporate image strategy. The Department was able to develop a communication strategy to ensure a uniform approach when communicating with the Western Cape's citizens and stakeholders. During the year under review, the Department was able to implement the following:

- An Annual Calendar of Events and media campaigns to support Departmental programmes of external awareness campaigns, services or initiatives offered by the Department. This enabled the Department to smoothly coordinate of Departmental events. For instance the Budget Speech of the Minister of Environment, Planning and Economic Development, the Launch of the Commercial Trade Garden in Manenberg, Department of Trade and Industry (dti) Imbizos "taking dti to the people campaign", the International Day for the Disabled, Design Indaba 2008, World Consumer Rights Day, Fraud Awareness Day, Small Business Week and AgriBEE Showcasing.
- Communications participated and co-ordinated Imbizos and Jamborees across the 21 identified areas of the Western Cape during 2007/2008. During both the Imbizos and Jamborees, Departmental officials shared information community members on opportunities for small business in various sectors of the economy and consumer rights.
- The Department's own in-house publication DEADLINE was revised and NEWSFLASH was launched in January 2008. The one-pager is an electronic newsflash circulated at short intervals to keep staff informed about achievements and other Departmental news items.
- To improve the awareness and image of the Department's work, the Communications Unit supported the design and production of Departmental promotional items i.e. first BBBEE newsletter, Fraud Awareness Posters and RED Door, etc.
- Events Management has been managed through the events management policy. All events requiring the presence of a political head are approved by the Head of Department, in order to ensure consistency and efficient and co-ordinated management of all events hosted by the Department.
- The newly established Language Service drafted the Department's Language Policy to promote optimal use of the three official languages of the Western Cape. It also provided a translation- and interpreting service. The service played a significant role in the official translations of the Western Cape Liquor Bill during this time.
- To improve the co-ordination of events, the Department was able to quality control its events through the events template and corporate image branding. To date, systems in the form of internal circulars and extensive quality control mechanisms with regard to any form of external communication to ensure professional and standardised imaging, have been implemented. Interim measures have been put in place with regard to standardised business cards, letterheads, and the application of official logos.
- As part of its major responsibilities, the Department published and distributed the Annual Report 2006/2007 (in the three official languages i.e. Xhosa, English and Afrikaans) copies to stakeholders and members of the public in the Western Cape.

iii Major success stories for the financial year under review

Fraud Awareness Day

During the period under review, a Fraud Awareness Day (19 March 2008) was hosted by the Departmental Enterprise Wide Risk Management Unit in the Financial Management Sub-programme. This proved to be an



Based on survey responses and staff members' enthusiastic participation in this initiative, it is clear that a need for more information of this nature exists. It is also evident that communication of the information in an awareness campaign format had a more effective and sustainable impact.

Campaigns of this nature support a culture of fraud prevention and detection, thereby reducing the impact of potential fraud and other commercial crimes.

Such a culture always requires strengthening and we therefore look forward to facilitating the next commercial crime awareness campaign.

Risk Management

A further major success for the Departmental Enterprise Risk Management Unit (ERM) was that on

3 December 2007, it reported inadequate risk impact rating scales addressing operational risks as prescribed by Provincial Treasury: Risk Management Unit (PT:RM).

These risk impact rating scales were prescribed for addressing strategic risks and not applicable to identified operational risks. Any further use of these rating scales would have resulted in the rating of high impact risks far lower than required, inaccurate risk profiles and the implementation of ineffective risk mitigation actions, a catastrophic risk on its own for any department.

This concern raised by the ERM Unit effects all Provincial departments in the Western Cape as all must comply with the prescribed risk framework (ERA). The PT: RM Unit acknowledged this reported concern and amended the risk impact rating scales addressing operational risk during a risk workshop facilitated on 1 February 2008. Provincial Treasury

Combating Fraud in the Workplace



Raising Awareness: (From left) Jacques Barnard (Deputy Director: Enterprise Risk Manager) Rene Ogle (Director: Forensic Audit Unit, Western Cape), Mymoena Abrahams (Chief Financial Officer), Nick Rabinowitz (Master of Ceremonies) and Jo-Anne Johnston (Acting Head of Department) were delighted with the success of this Fraud Awareness event.

Enterprise Risk Management and Internal Control from the Finance directorate hosted the Department's very first Fraud Awareness Day on 19 March 2008. This event was intended to increase awareness of fraud in the workplace.

The Event was held at the Cape Sun Hotel in central Cape Town and all staff members were invited to join in on the festivities. The Fraud Awareness campaign kicked off two weeks prior to the actual event. The theme of the campaign was "Washing your Dirty Laundry" which was featured in the invitations and in the entertainment.

On Fraud Awareness Day, staff members were treated to delicious food and dynamic guest speakers at the Hotel. Advocate Steven Powell, a Forensic Investigator, spoke on the legalities of Fraud in the workplace. Melanie Otto, an ex offender, shared her experiences with the guests to highlight the repercussions of committing Fraud.

Finance intends to make Fraud Awareness Day an annual event.



issued Risk Management Circular no. 5/2008 on 20 February 2008 to promulgate the new risk rating scales as requested by the Department's Enterprise Risk Management Unit.

Training of Bid Committee Members

Training sessions were organised with the South African Management Development Institute (SAMDI) for Bid Committee Members. The primary aim and focus of training provided was to ensure that Bid Committee members were properly aware of their roles and responsibilities as members, proper meeting procedures are followed, code of conduct and most importantly the prescripts that guide the bidding processes.

It is extremely important that the committee members understand the legal prescripts that govern the procurement processes when adjudicating bids.

Having highly trained committee members who are familiar with the relevant prescripts, will ensure that they understand the seriousness of their function and that they optimally manage tender processes within the strict confines of the PFMA. The training also demonstrates the high value placed on good governance by the Department.

15 Day turn-around time

In 2006/2007 financial year, the Department made a commitment to all service providers to ensure a 15 day turn-around time for the payment of goods and services. A reason for this commitment was as a result of the precarious position most SME's and HDI businesses face with regard to cash flow. Cash flow is one of the major contributors to SME failure within the first two years of operation, and as one of key organs of state to facilitate the development of SMEs, the Department is particularly sensitive to the impact of delayed payments to small businesses.

In light of the above, the Financial Management processed all payment due to suppliers within the 15 days of receipt of invoices for services rendered. It should be noted that the Department did not relinquish any of its various governance standards put in place to ensure effective compliance with

prescripts, however significant progress was made in terms of improving on efficiencies within the payment procedures.

Communication

The Department of Economic Development and Tourism was awarded first prize for the most creative stand at the Design Indaba Expo 2008 hosted from 23 – 26 February 2008 at the Cape Town International Convention Centre (CTICC).

The Design Indaba Expo is a major international event where public and private sector stakeholders showcase their products. The 2008 Design Indaba Expo was attended by an estimated 3 000 conference visitors and 20 000 expo visitors.

iv Major Challenges experienced in the financial year under review

The major challenge faced by this Programme remains human capacity and the sourcing of required, appropriate skills. In response to this challenge, the Programme prioritised human resource development in order to deal with the issue of the scarcity of suitable skills. In this regard, several appointments have been made to fill critical posts, in order to ensure a stable workforce that would render effective service delivery to customers and stakeholders.

Within the human resource development area - the capacity building of newly appointed and existing staff, also received ongoing attention. Most staff members attended training programmes that have been aligned to their Individual Development Plans, to ensure long term rewards in the short to medium term.

Furthermore, to the scarcity of required skill levels, the Programme faced challenges with regard to filling posts on the establishment. This challenge has been further exacerbated by the relatively high turnover of staff in the various units, as well as the fact that numerous promotions have been made which did not improve on the vacancy rates within the programme. Numerous measures have been instituted to attract suitable staff, as well as retain staff when attracted to other



Service delivery achievements

Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 1.1: Office of the Head of Department				
To develop & implement the Department's Time for Work.	A fully implemented time for work volunteerism campaign.	Implementation of Time for Work volunteerism campaign, including successful sourcing of volunteers and the development of different scenarios for the manner in which expertise is	Not Met	This objective has been incorporated into a different programme.
To assess the various implementation agents and spvs used by the Department so as to ensure that we have the appropriate institutional framework and vehicles for achieving our	Findings presented to cabinet for further consideration.	Conduct institutional review and submit recommendations to cabinet.	Institutional Review completed and recommendations submitted to Cabinet.	
Sub-programme 1.2: Financial				
Rendering an effective budget management system	Strategic plan and budget approved by the Executive Authority (EA) and tabled in the Provincial Legislature.	Approved Strategic Plan for Department.	The strategic plan for the 2008/09 financial year was approved by both executive authorities and presented to the Provincial Legislature for tabling on 28 March 2008.	
	Monthly IYM reports submitted to Treasury	Monthly budget meetings held with programme managers and other management staff.	Meetings held with relevant managers on a monthly basis. These meetings included discussions on Revenue and Expenditure projections, strategic planning, Annual reporting and other financial issues.	
	Submission to PT of Quarterly and annual performance reports published.	Timeous submission of Quarterly Performance Reports and Annual Report.	Quarterly reports submitted to PT as per the prescribed time schedule.	
To provide and maintain a procurement and provisioning system in the Department.	Compliance with the AO system.	100% compliance to AO System.	No cases reported to the Provincial Treasury.	
To provide assurance that financial risks are minimised and managed effectively	Number of cases addressed in Internal Audit reports.	Reduction in cases.	Internal audits conducted in terms of an inspection plan. Where findings have been raised, remedial actions implemented to mitigate findings.	
	Auditor-General and Internal Audit reports dealt with and remedial steps initiated.	Auditor-General and Internal Audit reports dealt with and remedial steps initiated.	All matters raised by the AG and Internal audit dealt with by implementing remedial actions.	
To deliver an efficient and effective financial accounting service in the Department and the alignment of financial	Annual reporting: Annual Financial Statements submitted timeously for audit purposes.	Annual reporting: Annual Financial Statements submitted timeously for audit purposes.	Annual report submitted timeously to the AG, PT and Provincial Legislature.	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
prescripts to achieve sustainable service delivery by the public sector.	Unqualified audit report.	Unqualified audit report.	The Department received an unqualified audit report for the previous financial year.	
Sub-programme 1.3: Corporate Services				
To render effective and efficient Employee Services in the Department, by ensuring the appointment of suitable staff, managing the implementation of service benefits and managing employer-employee relations, within the legislative and regulatory framework.	Manage the filling of vacancies through Recruitment and Selection.	65 % of vacancies filled.	80% of posts filled.	Further improving the turn around time for the filling of vacancies and put measures in place to retain staff.
	Manage the capacitating line functions regarding service conditions.	Ensure awareness of service benefits, i.t.o. legislative, regulatory and directive frameworks.	Ad hoc and ongoing interaction with employees re: service benefits.	Increased the awareness of service benefits through the Departmental induction program.
	Management of personnel salary administration system.	80% correctly updated Persal system.		
	Compliance with Performance Management	Incentives allocated within 1.5% as	35 incentives allocated within the 1,5% as prescribed.	
	Management of misconduct and grievances.	Misconduct and grievances below 15%.	Achieved. Only a few cases reported, compliant with 15 % target.	
Rendering effective and efficient Development and Transformation	Manage the assessment and implementation of human resource development interventions.	WSP drafted and submitted to PSETA / DPSA – at least 1% allocated for HRD.	WSP 2007/2008 drafted and submitted to PSETA/DPSA and 1% of personnel expenditure allocated to Staff Training and Development Expenditure monitored by HRD. More than	
		At least 15 Interns accommodated.	35 interns accommodated within various Departmental units.	
		At least 10 annual bursaries awarded to staff.	29 bursaries awarded for the academic year 2007	
		Placement of one learner within the Department.	No learner placed.	Departmental Learnership policy framework to be implemented to accommodate the placement of learner. Feasibility analysis to be conducted



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
				establish the need, qualification for learnership and resources required in alignment to the work of the Department.
	Manage the delivery of an Employee Assistance Programme.	Improve the quality of EAP service.	Appointed a service provider to facilitate the DEAP, which includes professional support service, Life Management service and	
		Assess the impact of EAP service.	Conducted a client survey on the services rendered by EAP provider.	
	Manage the delivery of the Department's internal Transformation Agenda.	Effective implement the Provincial and Department Transformation	<p>Conducted a Disability Access Audit in the</p> <p>Facilitated Disability Awareness sessions for all staff members in the department.</p> <p>Participated in the Cell C, Take a girl child to work</p> <p>Compiled the Employment Equity Plan 2006 – 2010.</p> <p>Monitor the implementation of the Employment Equity Plan.</p> <p>Commemorated Women's Day, Candle Light, Memorial Day, Youth Day and 16 Days of</p> <p>Advocated Voluntary Counselling and Testing.</p>	
To render an effective and efficient Support Services function, through an effective information and records management and ensuring a healthy	Ensure appropriate record management.	Approved records management and plan for Department.	<p>File plan for the implementation of Departmental records management plan approved by Provincial Archives.</p> <p>Implementation of records</p>	
Strategic Co-ordination				
To ensure the co-ordination of the Micro-economic Development Strategy	Completion of phased research across the identified sectors and themes.	Completed Micro-economic Development Strategy (MEDS) (research outcomes	MEDS Round 4 completed including a Synthesis Report incorporating policy recommendations as well as executive summaries of all research of MEDS round 4.	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
		Commencement of 4 th Round of the MEDS.	MEDS researchers were appointed to conduct research in accordance to the terms of reference provided by the Department.	
		Development and Implementation of MEDS 10-year Implementation Plan.	MEDS 10-year plan developed and implemented. 106 MEDS projects and initiatives underway.	
Effective development and implementation of a Departmental Communications and Corporate Image strategy.	Implementation of Communication and Corporate Image strategy.	Refinement and implementation of	Draft communication strategy was completed. The unit was also capacitated to ensure	
Development and implementation of an M&E system for the Department.	A fully implementable Monitoring and evaluation system.	Implementation of the M&E framework for the Department, including capacitating all staff in applying a standardised framework for planning, monitoring and evaluation of	A Monitoring and Evaluation Framework aligned and System for the Department was designed and executed. Staff attended two	



Programme 2: Integrated Economic Development Services

Purpose

Through enterprise development, local economic development and economic empowerment focus, the **Integrated Economic Development Services** aims to entrench the participation of Historically Disadvantaged Individuals and to improve the economy.

Service delivery objectives and indicators

The **Enterprise Development** sub-programme promotes the migration of entrepreneurs, both formal and informal, from the second to the first economy. The focus areas include: access to finance; training; mentorship and business related infrastructure. The past year has seen the sub-programme make considerable progress toward realising key deliverables in this area.

A Business Assistance Support Programme, providing both financial and non-financial support to “unbankable” entrepreneurs was successfully developed and implemented. The programme looks at survivalist, small businesses and co-operatives and their migration process towards sustainable business. The support programme has resulted in improved links with the Province’s financial institutions and stimulation of private public partnerships.

The key success factor of this programme is the mentoring support that accompanies the funding of new and existing business ventures. The programme provides entrepreneurs with access to the voucher programme that covers aspects such as business plan development, feasibility study, due diligence and marketing tools.

To further encourage informal businesses to move towards formality the Survivalist Programme, which focuses on unconventional initiatives geared to address unemployment and stimulate entrepreneurship amongst beneficiaries at the lower end of the economic spectrum, was consolidated. Beneficiaries received basic business training and assistance in developing business plans coupled to a stringent mentorship programme. The initiative

has also seen beneficiaries being exposed to the formal banking sector, where selected business plans are available on an open-source website and accessible to those wishing to open similar businesses.

The implementation on the RED Initiative continued from strength to strength. Enterprise Development and local municipalities are ensuring that support services of the RED Doors and mobile units are anchored in localities in supporting both new and existing businesses. The Enterprise Development sub-programme has continued to link themselves to the private sector, NGO’s and local authorities in an effort to support SMEs. These linkages have extended to broader organised business organisations and tertiary institutions such as the Cape Peninsula University of Technology (CPUT) with the focus on sharing expertise. It has also continued to support small business exhibitions where service providers, private sector institutions, finance institutions and parastatals showcase opportunities and linkages for SME’s.

To support the strengthening of the RED initiative the strategy of this sub-programme is aligned with the National Small Business Strategy and defined by partnerships at both National level (with government agencies such as CIPRO, SEDA, Umsobomvu Youth Fund, CSIR, SAMAF, DBSA, HSRC, SABS, SARS and Khula) and at Provincial level (with collaboration initiatives with Departments of Transport and Public Works, Education and Agriculture).

This financial year closed on a particular highlight with the Provincial Co-operative Strategy ready to embark on its consultation process towards finalisation.

The **Local Economic Development** sub-programme gives effect to the spatial expression of economic development by the provision of support to municipalities in developing LED strategies, identification of economic opportunities, as well as broadening of participation and promoting shared growth through the Rural Economic Assistance fund (REAF).



The sub-programme continued to make steady progress in supporting municipalities to develop LED strategies that are far more credible for long-term growth and development. It provided guidance and technical support to municipalities on their strategy and implementation plans through LG MTEC processes of IDP and LED assessments and reviews.

LED embarked on a series of practical workshops through a Provincial roadshow across the Province during the course of the year to assist municipalities in developing credible LED strategies. The focus of the workshops were to identify plans of/by local municipalities on their priorities. Workshop agendas were tailored for each district to address specific local needs and challenges, and aimed to create awareness; build better participation and assist in the launch and roll-out of Departmental programmes.

To build awareness and provide access to urban, rural and township communities to Departmental, Provincial and National programmes at local level, the sub-programme supported the planning and hosting of the first District Growth and Development Summits in the Western Cape, as well as fully participating in both Provincial and National imbizos in June and November 2007.

To further the efforts of increasing the spatial spread of economic development across the Province, the sub-programme aims to provide access to opportunities for local municipalities and local people. The Plek Plan programme is an intervention aimed to fast track support at local level and aims to ensure greater spatial spread of support by the Department in local areas. Plek Plan is an intervention that speaks directly to the elements of the National framework to stimulate local economies by identifying and developing local economic opportunity. It rolled out the final phase of establishment of the PLEK PLAN programme with five more officers deployed to the regions following.

Plek Plan managers completed economic profiles of regions to assist in opportunity identification to determine competitive advantage and local development potential. These are referred to local municipalities to inform their LED planning. In this

financial year, nine opportunities were identified, three of which would impact on National or Provincial imperatives. The REAF programme then provided support to five proposals through the project development stages.

Major Outputs for the financial year under review

The **Enterprise Development** sub-programme has delivered the following in the past year:

The **RED Door** is the flagship programme of the Department to deliver on SMME development. Two new centres were established, one in Tableview in the City Metropole and the other in Mossel Bay in the Eden region. Through the RED Door centres the programme has assisted 10769 businesses with business advice and support for the financial year. Planning for an additional RED Door centre was also initiated for establishment in the next financial year. The City Voucher programme done in partnership with the City of Cape Town, issued 942 vouchers to businesses to assist in subsidising the cost of entry for entrepreneurs into business. This programme was expanded to increase access and support to the rural RED Door centres. The rural voucher programme has issued 167 vouchers to entrepreneurs.

A strategic objective of the RED Door is to take business support services to communities through a structured outreach programme to stimulate entrepreneurship. The **Mobile RED Door** support services was piloted in the Metro and then extended to the rural and peri-urban areas. This programme is an extension of the RED Door outreach activities and has become a key deliverable in the RED Initiative's package of services. Currently, four mobile units have been established and an additional mobile unit is earmarked for the Northern Suburbs in the City of Cape Town. The Mobile RED Door has assisted 1461 individuals with business advice and information.

Small Business Week has been a seven-year long joint venture between the Department, the City of Cape Town and the private sector. The initiative aims to deliver tangible opportunities by creating a platform of access to information, finance, markets and capacity building for SMMEs through Government, parastatals and the private sector. In 2006, 4117 Delegates attended and in 2007



The **Siyabulela Deliverable Programme** provided non-financial assistance to 126 beneficiaries. Ongoing mentorship for an additional five month-period has been introduced to promote sustainability of these enterprises. The Siyabulela programme will, in the year to come be integrated into the **Business Assistance Support Programme**. This programme will aim to assist clients, who are considered “unbankable” by commercial banks, with non-financial and financial support. Similarly, the 1000 x 1000 pilot programme based on its learnings, have been incorporated into the **Survivalist Programme** with the aim of graduating survivalist businesses into micro businesses.

Finally, the Department has developed a **Provincial Co-operative Strategy** in partnership with the Development Bank of South Africa (DBSA). The strategy was completed and first round consultation has been initiated. Further consultation will commence in the year to come, to formalise it as a comprehensive Provincial strategy to deliver on economic development in line with the sentiment expressed in the President’s State of Nation’s Address.

The strategy focuses on increasing the formation, number and spread of cooperatives operating in the Western Cape aligned to sector-based priorities and programmes. The strategy provides the direction in the coming year for the establishment of sustainable co-operative entities with initiatives like the Co-operatives Support Voucher, a Set-Up programme to look at business plan development, marketing tools acquisition, and financial mentorship.

The sub-programme **Local Economic Development**, has provided more direct hands-on support to those municipalities in greatest need of assistance, given the challenges in the area of organisational skills and capacity in economic development at municipal level. This was done through the provision of guidance, support and capacity intervention to municipalities by completing assessment and reviews on 30 **Integrated Development Plans (IDP)**. It advised, on alignment requirements between the LED and the District Growth and Development Strategies; and, prioritization of municipal challenges and projects for accelerated development. The sub-programme was also required to respond to a

variety of municipal and community requests to provide expert advice across a variety of economic development issues and challenges. In this regard, the unit was involved in 91 engagements to facilitate the required input and relevant support, which is 12% more than the target estimated for the year. A joint collaboration with the Department of Environment Affairs and Development Planning has resulted in the first LED-SDF alignment intervention piloted with the Drakenstein municipality.

Capacity support at a local level was further enhanced by the appointment of the additional 5 Plek Plan managers deployed. The **Plek Plan programme** is a comprehensive intervention aimed to fast track support at local level, and aims to ensure greater spatial spread of support by the Department in local areas. Plek Plan is an intervention that speaks directly to the elements of the National framework, to stimulate local economies by identifying economic opportunities locally. Nine opportunities were identified, three of which would impact on National or Provincial imperatives. Five were financially supported through the project development stage in this financial year.

It has completed the compilation of 24 economic profiles of regions that will assist in informing municipal LED strategies & plans.

Community-based project proposals sourced through the Plek Plan Programme have been linked to the **REAF Initiative** for further investigation and support in terms of project development. REAF aims to provide financial and non-financial support to community-based projects that have the potential to become community-owned enterprises. In this year, 5 proposals were supported by REAF.

There is considerable alignment of the sub-programme’s intervention with the framework that has emerged from National Government for LED. The ASGI-SA programme of action deliverables have been internalized, and is to be found within key performance areas of the programmes. To give effect to the implementation of National programmes such as URP and ISRDP, the unit played a key role in the preparation and launch of the Nodal Economic Development Profiles, which was developed by the Business Trust and the DPLG to



The primary achievement for the **Economic Empowerment** sub-programme has been the refinement and finalisation of the **Provincial Broad-Based Black Economic Empowerment Implementation Strategy** for the Western Cape. The Provincial strategy utilised the National BBBEE policy framework to establish its foundation, and then proceeded to ensure that it would set about practically addressing the specificities of the political, social and economic conditions and profile of the Western Cape. The Implementation Strategy intends to achieve historical redress through Provincial-wide interventions and programmes that uses partnerships with stakeholders such as labour, civil society, business and public entities as a cornerstone principle. The primary beneficiaries of the BBBEE Implementation Strategy are the designated vulnerable groups - black people, women, youth, workers, people living with disabilities and people living in rural areas.

Recent developments in the National BBBEE arena and the finalisation of the National Preferential Procurement Policy Framework Act, have resulted in the draft **Western Cape Preferential Procurement Policy** being submitted to a further review process to ensure it aligns with the BBBEE Codes of Good Practice, the PPPFA and National implementation plans, and that it further responds to the local challenges faced in the Western Cape economy. The review is being done in collaboration with Provincial Treasury, as well as in consultation with Western Cape Provincial Government departments. This process will concretise and target the Provincial Government's commitment to increasing its procurement spend in relation to historically disadvantaged enterprises and the designated groups.

The sub-programme is embarking on a Provincial-wide campaign that strove to communicate and build awareness of Broad-Based Economic Empowerment, its imperatives, and the advocacy of implementation of BBBEE initiatives through Provincial **Economic Empowerment Advisory Forums**, and generic and **Sector-specific Charter Workshops**. The Economic Empowerment Advisory Forums are interim platforms to facilitate access to information regarding economic empowerment issues aimed

at the marginalized and vulnerable groups. These engagements were done in collaboration with municipalities, and Provincial service delivery agents like the RED Doors and the Plek Plan programme. Engagements planned for next year will also include Tourism Help Desks across the Province.

The BEE Fora has become a platform that has initiated some enterprising projects, as in the case of the disability sector where the Disability Enterprise Development Workshop (DWDE) tackled the economic transformation challenges to promote sustainable economic entities. The proposal for DWDE is to be taken forward within the framework for co-operatives. Secondary co-operatives are emerging and partnerships are being established to provide sustainable support. As in the case with the Cape Regional Chamber of Business and Commerce, who has committed to providing training to at least 30 women from within the Metro.

Fourteen workshops were held in all 5 regions of the Province and aimed to deepen understanding on BBBEE by providing access to information on various sector charters, specifically on the MEDS priority sectors where charters exist. This included: one workshop on the BBBEE Codes of Good Practice with PGWC officials; three workshops on the Wine Charter held in Vredendal, Paarl / Stellenbosch and Darling / Mamreg; one workshop on the Property Charter in the Metro; and one Construction Charter workshop in Eden. In addition, three BBBEE workshops were held with the Department of Labour, the Saldanha Bay municipality and one with West Coast district municipality. All workshops ensured relevant partners on board and with the support of other Provincial Departments and sector bodies.

Finally, to complement the above engagements, the planning and developing of the first Provincial Government **BBBEE Newsletter** has been finalized. The new year will see this added support to the provision of BBBEE information, advocacy and access.



Major success stories for the financial year under review

Eskom partnership with RED Door Atlantis

The RED Door programme has partnered Eskom with its R4 billion plans to build a gas-fuelled power station in Atlantis and one planned for Mossel Bay. Eskom appointed four main contractors in various fields - Roshcon Civil Engineering, Siemens Technical Turbine and Generator Supply, Lesedi: Balance of Plant and Sawron Transmission – and the RED Door lobbied to ensure local content and community participation in the construction of the Open Cycle Gas Turbine (OCGT) was incorporated.

RED Door in the initial phases of the project was involved in the development of a comprehensive database of all local businesses; setting up a support structure for SMME's and facilitating of labour opportunities.

Through Eskom's guidance, local businesses obtained the opportunity to render services or products to the four main contractors. Eskom contracted local companies that fulfilled the procurement criteria.

In term of economic impact, through the first phase of construction, Atlantis received an economic boost of ±R55 million into the community through: employment opportunities as general workers, construction workers and administrative staff; 450 people were employed at the start of the project and 1046 at the peak of the project, with 950 by year-end. Downstream opportunities were also created for other local businesses in: accommodation, transport, security, construction and maintenance, recruitment agencies, fire equipment suppliers, tool hiring, engineering companies, electrical engineering. Twenty-four RED Door clients are beneficiaries of this project.

RED Door is actively supporting women in business, to access procurement opportunities with Eskom by running financial management workshops which are sponsored by ABSA. The second phase of the Combined Cycle Gas Turbine is now in progress, and RED Door has an opportunity to play a similar role in Melkbosstrand and Mossel Bay. The Eskom Development Foundation, and other key

representatives from Eskom Generation have proposed development of an MOU between the RED Door and Eskom to allocate funding for key deliverables such as, capacity building, SMME development and skills development.

Cape Argus

The Cape Argus approached the Department with regard to publishing RED Door success stories in the weekly Job Shop insert of the newspaper. Over the past two years the Cape Argus has been tracking clients and their achievements that have been assisted by the RED Door. The importance of this relationship has been paramount in marketing the RED Door and the brand. Successful clients have featured in full-page spreads of the Job Shop every Wednesday, for the past two years. The following article was published on 28 November 2007, where the co-owners of M & C Enterprise operating in Knysna and owned by Mary Arnolds and Carmen Sayer, does gardening services for the municipality. The RED Door in Knysna assisted the business owners with their business plan; they also received crucial business advice and attended the monthly networking sessions organized by the office. The business thrived and they managing to pay all their debts in just three months. The business is subsequently growing at a fair rate and they are looking at diversifying their current operation by starting a construction company as well as pursuing business in the civil engineering industry.

Cipro

The Department has established a partnership with Cipro through a Memorandum of Understanding to provide better access for enterprises to company registration through Cipro's decentralisation programme. The programme facilitates the company registration of Close Corporation and Co-operatives at all local RED Door centres. This forms part of the RED Tape Reduction Strategy aimed to reduce business regulation constraints faced by businesses.

Intaba Jams

The May 2008, Woolworths Mothers' Day brochure lists the preserves and chutnies produced by Intaba



Jams in the Piketberg as “feel-good treats” that are a must-have. Intaba is a vibrant and committed group of previously unemployed farmworkers, who live and work in the Piketberg mountains. This fledging project transformed from being a very small producer of handmade jams to a modern medium volume one. The business is 90% black-owned with 50% of jobs held by women. The Department assisted this agri-processing venture through REAF with financial and non-financial support. This is a MEDS priority sector for the Western Cape.

Ankile Engineering

Economic Empowerment support contributed to the successful funding and operations of Ankile Engineering in Atlantis. The company was able to extend their reach to the mining companies in the

Northern Cape and they have been successfully appointed as a service provider to nine mining companies.

Ankile Engineering, a Black Engineering Company participated in the ESKOM Supplier Dev. Programme and was awarded a contract worth R3 million to erect a steel structure. Ankile approached our Department to assist them with bridging finance. The EE Unit facilitated the funding of R3 million via FNB.

The finance required was used for working capital. The successful completion of this project enabled the company to tender their services to mining companies in the Northern Cape – where a shortage of black-owned service providers exist.

Removing Accessibility Barriers



Supporting growth: Jo-Ann Johnston, the Acting Head of Department (left) and Melanie Bernard Fryer, Chief Operating Officer for CIPRO, exchange the signed Service Level Agreement.

The Department of Economic Development and Tourism has entered into a Service Level Agreement with the Companies and Intellectual Property Registration Office (CIPRO) to improve the accessibility of CIPRO's products and services to the public.

The SLA, which was signed on 15 April 2008 at the Waldorf Building, committed the DEDT and CIPRO to a partnership which would be beneficial to both entities and to the public. Business Registration will be done in the RED Door offices via the CIPRO Portal.

CIPRO offices are currently available on the 1st floor of the Waldorf Building where members of the public can register their businesses. As a result of this new partnership, RED Door officials will be trained by Cipro to assist individuals in the province who would like to register their businesses and will facilitate with the processing of Closed Corporations and Co-operative registrations.



The company currently employs ±60 full-time and casual employees, mainly from the Atlantis area. By being awarded the opportunity to render a service to mining companies, they are now in a position to employ more permanent staff and also to start their skills training programme, by training unemployed persons in scarce skills and as industry requires. This initiative will clearly take the company to greater heights.

Major Challenges experienced in the financial year under review

The RED Door website on the Cape Gateway network is currently not very accessible, updating the site is slow and bringing linkages into it is quite challenging. The answer is to establish a website that allows for linkages with similar initiatives and credible partners, as well as real time updating of events, successes and information to benefit our beneficiaries.

The RED Campus has been a challenging project, in that it requires a new approach to entrepreneurship training that is customized in certain aspects like having a life skills component to the training. The life skills training will assist potential and existing entrepreneurs to clearly differentiate between the household and the business. We have contracted the Cape Peninsula University of Technology to develop the material and customize it to the needs of entrepreneurs utilizing the services of the RED Door.

The nine consecutive interest rate hikes, affect entrepreneurs and enterprises in their endeavours. Specifically, it has resulted in a negative impact on the funding of BBBEE deals, as the cost of finance has increased substantially and it inhibits risk taking and deal financing.

In some instances, banking institutions require up to 30% collateral or unencumbered equity, which is a major deterrent for prospective entrepreneurs. Entrepreneurs and enterprises alike, as clients of the programme Integrated Economic Development Services, are to be encouraged to ensure business plans are detailed and realistic

in terms of its financial projections. Efforts to promote Broad-Based Black Economic Empowerment is frustrated by the impasse in the alignment of the dti Codes of Good Practice and the National Treasury PPPFA. The drawn out process that has emerged to date at National level has the effect of delaying the Provincial process to complete the review of the Provincial Preferential Procurement Policy. Steady and open communication lines and relations are being established with National counterparts to ensure Provincial alignment results as progress at a National level is achieved.

Management of expectations of the vulnerable groups, at which support intervention and services are directed, is a challenge. Consistent, clear and focussed communication on planned intervention and support will be done to ensure realistic expectations.

The capacity levels of service providers required, especially in the rural areas, constrains the ability of our support interventions to have maximum reach. All programmes for implementation will look to identify capacity requirements of role-players and address needs, as far as possible within the budget envelop of the sub-programmes.

Finally, in the 2007/2008 financial year, staff turnover has resulted in human capacity constraints, which resulted in challenges in fulfilling APP obligations. Towards the end of the 3rd quarter of the financial year, sub-programmes managed to recruit much needed staff members. This has already assisted in increased productivity output of the Department.

The Department is also undertaking the development of a retention strategy, as it is faced with developing experienced skilled staff who, within short to medium terms, leave the Department's employ for more competitive salaries in other arenas of the economy. Staff turnover, therefore requires a long-term solution.



Service delivery achievements

Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 2.2: Enterprise Development				
Establish the located SMME Service Support	Number of located SMME Support Service Centres including Mega Support	1 SMME Support Service Centre.	2 SMME Support Centre established.	
Maintain and monitor existing conveniently located SMME Service support centres.	Number of located SMME Support Service Centres including Mega Operating (additional to those newly established) and number assisting entrepreneurs with business support.	13 SMME Support Service Centres assisting 1800 entrepreneurs with business support.	10 769 Entrepreneurs assisted by 11 Support Centres.	
Establish awareness around programmes and initiatives of the ED Unit. (Marketing and	Number of stakeholders, clients, local governments departments reached through awareness sessions, media, information programmes and	Develop & Implementation marketing strategy through marketing initiatives and programmes.	<ul style="list-style-type: none"> • Strategy complete. • One initiative implemented. 	
Establishment of new mobile SMME support services.	Number of mobile RED Doors supporting 100 entrepreneurs with advice, information etc.	2 mobile SMME Support Service Centre supporting 1400 entrepreneurs with advice, information etc.	<p>1 new mobile established that has assisted 145 entrepreneurs.</p> <p>In addition, the existing mobiles assisted 1316 SMEs, totalling 1461 entrepreneurs supported.</p>	Funding to support the roll-out of an additional mobile is secured. In the interim, the metro mobile unit serviced both the Southern and Northern suburbs. The new additional mobile unit will be dedicated to the Northern suburbs.
Programmes and projects that address the needs of small businesses, business associations, and entrepreneurs in local areas and communities.	Number of entrepreneurs assisted via the Rural Business Development Voucher Programme.	Rural Business Development Voucher programmes assisting at least 240 entrepreneurs.	167 rural vouchers issued.	Capacitate service providers in rural areas to ensure greater access of this service. Services offered are, assistance with the Business Plan, Feasibility Study, Health Check and
	Number of entrepreneurs assisted through the Co-operatives Mentorship Programme.	Co-operatives Mentorship programmes assisting at least 120 entrepreneurs.	7 co-operatives mentored.	Capacitate service providers and market the programme more aggressively.
	Number of entrepreneurs receiving capacity building and training.	3 capacity building and training session per month for at least 600	4637 entrepreneurs capacitated through 236 training sessions.	
	The number of projects/ programmes implemented in conjunction with SEDA.	Capacity Building programmes assisting at least 300 entrepreneurs.	2 capacity building projects done jointly with SEDA assisting 230 entrepreneurs.	Application of systems to support these initiatives will be upgraded in 08/09 to assist more entrepreneurs.
	A number of programmes that provide financial and non financial support to youth and women- owned	Provision of financial and non- financial support to 140 beneficiaries (Siyabulela Deliverable).	126 clients received non-financial support to date.	14 identified candidates withdrew from the programme, and efforts are under-way to replace
	Regular updated website and Resource Centre (LBC).	Provision of business information via a dedicated website.	Not Met.	Website develop-ment underway & active within the first quarter of the



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
	Number of vouchers issued for business support.	600 vouchers issued.	942 vouchers issued.	
Monitoring, Evaluation and Impact study of RED Initiative.	Annual report on the impact of RED initiative interventions. To inform us of our challenges and successes and inform amendments required.	Monitoring and evaluation into the Real Enterprise Development strategy regarding SMME Support Centres.	Not Met.	Based on Phase 1 Report received, Phase 2 to be finalised within the new financial
Co-host an Annual collaborative event with private and public sector partners showcasing real business opportunities and linkages. (Small Business Week & National Annual Small Business Summit).	Number of attendees, number of exhibitors and number of business linkages	1 Small Business Week in partnership with City of Cape Town attracting 4750 attendees & 65 exhibitors. 600 business linkages facilitated.	<ul style="list-style-type: none"> • 7690 Delegates attended. • 100 Exhibitors. • 1100 Linkages were facilitated. 	
	Number of attendees, number of exhibitors at National Small Business	Co-host Annual Small Business summit.	Annual Small Business Summit attended.	
Design and implement outreach activities from each SMME support centre.	Number of outreach programmes undertaken per month to introduce the notion of entrepreneurship and	11 Outreach plans containing specific outreach programmes. 1 Outreach activity per month at each centre.	174 Outreach activities implemented.	
Conceptualisation and identification of infrastructure for SMME trading and manufacturing. (RED Trading places).	A fully implementable Implementation plan completed.	Identify and establish suitable sites in each municipal district and metro.	34 potential sites identified and negotiations underway with LG to establish trading	Identification of the sites is to advise municipalities on the feasible options for
Design and Implement an initiative to improve the competitiveness of enterprises. (C RED).	A fully Implementable plan.	Implement an enterprise competitiveness	One competitiveness programme implemented. Have also identified the external supplier development programme as an additional competitiveness	
Establish and implement a structured curriculum of accredited business training courses available through the SMME support centres. (RED campus).	Design & implement accredited business-training curriculum.	Implement accredited training curriculum.	Not Met.	CPUT has been appointed to develop an accredited training
Dedicated fund to assist entrepreneurs considered "unbankable".	Number of entrepreneurs assisted by fund.	Directly financing at least 150 entrepreneurs.	266 Beneficiaries accessed finance.	
Design and implement an intervention to construct business plans from viable business opportunities.	A fully Implementable	Establish the 'Enterprise Shop'.	Met.	
Design and implement a Provincial Co-operatives development strategy.	A fully Implementable Provincial Strategy.	Co-operative Strategy implementation.	Strategy complete, projects arising e.g. co-op mentorship, co-op fund, co-op capacity building.	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Design, implement and maintain unconventional interventions geared towards promotion and supporting of informal sector.	Identify a number of lower-end of economic spectrum beneficiaries and provision of financial and non-financial support to successful beneficiaries (1000 x 1000).	Identification of 300 beneficiaries and provision of financial and business support assistance to successful beneficiaries.	Not Met.	Incorporate the intervention into the Business Assistance Support Programme.
Dedicated fund to assist Co-operatives enterprises for business start-up and/or expansion.	Number of Co-operatives enterprises assisted by	Directly financing at least 20 co-operatives	Not Met.	Incorporate the intervention into the Business Assistance Support Programme.
Design and implement a Co-operatives mentorship programme aimed at improving the management of co-operatives enterprises, resulting in improvement in their sustainability.	Number of Co-operatives accessing the mentorship voucher programme.	Implementation of Co-operatives mentorship voucher programme with a target of 50 vouchers	7 vouchers issued.	Aggressively increase awareness around co-operative as a form of business ownership for entrepreneurs; as well as the service offering by the Department in this regard e.g. voucher.
Design and implement provincial SMME Research.	Provincial Strategy Document.	SMME Research document.	The MEDS Informal Economy Research document was completed.	The planning for a Provincial Strategy document around SMME development is
Sub-programme 2.3: Local Economic Development				
Provide guidance, support and capacity to municipalities through the Plek Plan Programme (the economic development units & IDP assessments & reviews) to strengthening the economic development capacity of municipalities.	Number of local Plek Plan offices established & operational to assist with LG strengthening the credibility of LED strategy development and implementation plans.	The next 5 Plek Plan offices established at municipal level.	The 5 New Plek Plan offices established at municipal level	
Through the Plek Plan programme inform local LED strategies & plans (IDP) that will guide & support the performance of LG in achieving increased economic	Number of municipal economic profiles established to inform LED plans by LG.	Review and update the 5-district regions economic profiles established, & include Spatial MEDS research to inform municipal LED strategies	Reviews and updates of profiles done. Economic profiles distributed to all LED practitioners/ role-players & municipalities for inputs.	
	Number of LG LED strategies supported for development through inputs provided (reports) to National, Provincial & local processes (e.g. MTEC, IDP Hearings, etc).	Participate in Provincial processes to support LG LED strategy development & implementation.	Participated in LG MTEC 1-3, LED roadshows and economic cluster engagement to provide support to 29 municipalities with LED plans.	
Implementation of pioneering pilot projects that will increase community-based ownership & participation in line with the vision of iKapa Elihlumayo.	Based on local Plek Plan economic opportunities identified – (a) No. of project opportunities submitted to other Departmental Sub-Directorates for	Based on opportunities identified by DPP – a min. of 10 opportunities identified, referred & submitted to other DEDT Sub-Directorates for further	7 opportunities identified and referred to other DEDT Sub-Directorates for further support.	With all DPP offices now operational, increased opportunities for access will be more aggressively pursued.



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
	Based on local Plek Plan economic opportunities investigation – (b) Number of Projects tested for viability, further developed & supported as sourced from municipal	Implement the Plek Plan programme that will support the sourcing of a min. of 5 LG proposals for	2 Opportunities sourced.	With all DPP offices now operational, increased opportunities for access will be more aggressively pursued from municipalities.
	Based on local Plek plan economic opportunities identified – (c) Number of projects supported by the Rural Economic Assistance Fund.	Establish REAF 07/08 & implement the project dev. of a min. of 5 viable	9 Projects for develop-ment	
	Based on local Plek Plan economic opportunities identified – (d) The no. of community assistance referrals dealt with/ the number of engagements to provide expert advice & non financial support.	DPP programme expanded & a min. of 75 engagements with local people & Government around assistance with LED issues & the provision of expert advice &	91 Engagements.	
Ensure practical alignment of Departmental programmes with National & Provincial objectives (e.g. PGDS) through regional initiatives (e.g. ISRDP, URP, & Project	Number of identified interventions that are economically viable & that can be supported- with specific impact on ISRDP, URP and Project Consolidate and ASGISA priorities).	Through DPP expansion, source & support (financial or non- financial) - 3 local projects that impact on Provincial & National imperatives or	2 Local projects.	With all DPP offices now operational, increased opportunities in priority areas will be more
	Through collaboration with other Departments - Number of projects impacted on by skills development, job	Through co-operative governance support a min. of 3 proposals that requires joint effort with other Departments for development.	4 joint collaborations underway.	
Create/ build awareness and provide access to urban, rural and township communities to Departmental, Provincial and National support programmes and benefits at local level. For example, updates on MEDS, Die Plek Plan, RED Doors, etc.	Number of Provincial-wide roadshows and workshops held and reports finalised and distributed.	Min. of 2 Provincial-wide engagements held with LG & local stakeholders (e.g. road-shows, workshops) to inform local LED plans.	2 Provincial-wide engagements undertaken (LED Roadshow & LG MTEC processes).	
	Distribution of programme support material and engagement through the regions; No. of Imbizo requests and responses.	A min. of 2 reports compiled on engagement on roadshows & workshops; to include recommendations made	5 reports completed based on outcomes of individual roadshow workshops.	
Sub-programme 2.4: Economic Empowerment				
Provide a strategic framework for the promotion of Economic Empowerment in the	Fully developed and implemented framework.	Strategy implementation plan.	Draft BBBEE Implemen-tation	Strategy completed. Consultation to be completed before



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Ensure that the component is a credible source of information regarding Economic Empowerment issues.	Number of information sessions on BBBEE Charters and Scorecards.	To provide information on BBBEE Charters and Scorecards.	Six (6) workshops were conducted in different Districts.	
Provide reports on Charters of Priority Sectors as identified by the MEDS.	Reports on Charters of Priority Sectors as identified by the MEDS.	Monitoring and evaluation of priority sector.	Reports complete.	
Ensure that the component is a credible source of information regarding Economic Empowerment issues.	Edition of the published Economic Empowerment Newsletter.	Distribute review and improve.	Not met.	Printing to commence in the first quarter of 2008/09.
Facilitate access to finance for economic empowerment opportunities and the monitoring and	Number of economic empowerment opportunities assisted. To assist communities in identifying business opportunities.	Monitoring BBBEE deals that have been facilitated and ensure compliance with scorecards.	8 BBBEE deal opportunities assisted with facilitation and monitoring support. 2 Successfully accessed finance, within the constrained environment of rising	
The establishment and Operationalisation of advisory forums.	Increase in economic participation for targeted beneficiaries. Fully operational forums.	Operationalisation of the forums.	Forums operationalised and 14 working sessions held.	
Monitoring and evaluation of advisory forums.	Quarterly reports on the advisory forums.	Monitor and evaluate.	2 Reports on the advisory forums completed.	
The establishment of the advisory council.	Monitoring and evaluation of economic empowerment	Operationalisation of the advisory council.	Not Met. Advisory council concept	The BBBEE strategy defines the need for an advisory council. The consultation process that the strategy will undergo will determine the structure, function and role clarification for stakeholders and a council
Ensure that the Provincial Government Policies (e.g. Procurement) contribute to the furthering of BEE in the Western Cape.	Preferential Procurement policy is aligned to BBBEE.	To ensure that all Provincial Government Departments increase their Preferential	Not Met.	Finalisation of National process will accelerate the completion of the Provincial policy that will address PGWC targets for PP practise.



Programme 3: Trade and Industry Development

Purpose

To stimulate economic growth through Industry Development, Trade and Investment Promotion.

Service delivery objectives and indicators

The Key Deliverables for the programme are to develop priority sectors and significant sectors through the support of sector bodies; the support an enabling environment through infrastructure development, skills development, and innovation, the support of a growth programme through marketing and investment facilitation and the promotion of downstream activities to broaden the base of economic participation. Against the MEDS research, significant progress has been made in laying the platform for major interventions going forward that will allow the Department to have a positive impact on growth in the Western Cape economy.

The Department has taken the lead nationally in what is termed the "New Industrial Policy" that has its locus of influence at a regional or local level rather than the national. The New Industrial Policy approach recognises the interventionist role of Sub-National Governments in working with the private sector to unblock constraints to development, or in economic terminology, to target the various forms of "market failure" that lead to sub-optimal growth outcomes. Following the completion of the first draft of the MEDS strategy in 2006, the Department has focused its attention on its "priority and significant" sectors. These are sectors that display strong growth potential particularly with respect to exports, or where there are "dynamic returns to scale", where the job creation impact is significant and/or there is a substantial multiplier effect, barriers to transformation can be relatively easily overcome, and where there is a role for Provincial Government interventions.

Since the completion of the MEDS research, the Department's work could be characterised as building the foundations to enable the delivery of major interventions that will transform and grow the Western Cape economy through its priority

targeted sectors.

A vital component of this foundation takes the form of the networks of relationships that enable the transfer of tacit knowledge between firms, and support Government in identifying and developing interventions to unblock constraints to growth. The networks of firms have been formalised through cluster initiatives that are referred to in the Province as "Special Purpose Vehicles" or SPVs. These bodies are comprised of representatives from government, industry, labour and academia, who oversee the implementation of sector development strategies. The SPVs are all staffed by industry specialists, with more than 90 staff now being supported across 16 SPVs.

The Department provides the bulk of the funding, although SPVs are encouraged to increasingly draw their funds from the private sector and other sources (For the 07/08 year an additional R20 million was raised from funding sources). Due however, to the public nature of the interventions carried out by the SPVs, it is clear that they would not survive as industry "associations", that are narrowly focused on delivering benefits to a narrow range of members.

The SPVs are without exception characterised by open membership, and focus largely on improving the underlying business conditions and environment in which firms operate. They also have as an explicit target the entry of new, and particularly black-owned firms into the sector (Of the more than 3500 members covered by the recent SPV indicator survey, more than 1500 are black owned).

The SPVs have with the guidance of the Department been building up institutional capability, and strengthening the networks across the sector. A range of interventions have been implemented in each SPV, focusing on marketing and promoting the sector, funding initiatives that improve the competitiveness of firms, and funding interventions to build new and transformed enterprises and SMEs.

A key long term goal of the Provincial government has been to put in place sector skills strategies, with key pieces of research



In addition to the sector skills research, a number of interventions in the more established SPVs were successfully carried out, and these will be deepened.

Following recommendations from the institutional review, which strongly endorsed the SPV programme, the Department has instituted a "Shared Service Centre" concept, whereby it assists the SPVs to build capacity, develop more effective monitoring and evaluation systems, and upgrade the levels of corporate governance across the bodies.

A key outcome has been the "indicators report" that was substantially revamped for the 2007/08 financial year. This tracks inputs (in the form of both human and financial resources), what are termed "intermediate" outputs that track the level of activities and support provided by the SPVs (such as number of workshops held, enquiries dealt with and training courses facilitated) and to a limited extent the outcomes of such interventions. The latter is particularly difficult to measure, as the SPV's have very limited funding to directly facilitate new job creation, and do so largely indirectly through creating an enabling environment. An attempt has however been made to measure the outcome of their work in terms of job creation, FDI attracted and exports facilitated. Some of the statistics emerging from the indicators survey on 10 of the more mature SPVs include:

Against the Department's R27million, the SPVs have leveraged an additional R20 million from other sources.

Against the Department's R27million, the SPVs have leveraged an additional R20 million from other sources.

- There are 82 staff members, of which 57 are black and 58 female.
- There are 125 board members, of which 82 are from the private sector, and 59 are black and 39 female.
- There are 3500 members representing firms employing 48,000.
- 9500 people attended 300 events.
- 17,000 enquiries were dealt with (the bulk of them skills and export related).

- Over 842,000 website impressions were made.
- 70 trade delegations were hosted, and more than 1100 companies actively assisted with export support.
- 2000 SMEs were actively assisted, and just under 15,000 person days of training provided.
- SPV's have facilitated some R145m in new investments, and have created 1700 jobs through these investments.
- 111 new businesses have been facilitated, with some 1400 jobs being created through the SME programmes.

As is evident, the SPVs constitute an exceptionally powerful and cost effective model for sectoral development, and industrial restructuring that has brought the programme into international prominence.

The Global Competitiveness Institute Annual Congress event, with a focus on clustering and innovation has been awarded to the Province, who will host the conference during 2008.

Due to the Department's rigorous emphasis on good governance, it was clear that Cape Ship Repair were not in a position to implement adequate systems, and as a result the appropriated funding was not transferred for the financial year in question. It was agreed by the Board to terminate the section 21 body at the end of the financial year. The ship repair function will be continued with discussions being held in the new financial year to determine where this will be most appropriately housed.

Overall the SPV programme has matured significantly with the improved performance indicator tool and an increased level of co-ordination from the Department. Many of the sector programmes have been increasingly deepened, particularly around infra-structure and skills programmes. These include:

- a. The launch of the film Resource Centre;
- b. The development of the Cape Craft and Design centre;
- c. Re-launch of the revamped Boat Building Academy;
- d. The Launch of the Saldanha Fabrication Facility;
- e. The launch of two creative streets in Manenberg and Nyanga;
- f. The launch of the Calling the Cape, Call centre



The three major components of the resource-based industries backed up by detailed MEDS research are, i) The agri-business sectors ii) Fishing and Aqua-culture and iii) Food processing.

Within the agri-business sectors, the focus was predominantly on supporting the **Honey-bush** and **Rooibos** industries. In both, comprehensive, broad-based strategies were developed, outlining an integrated framework consolidating current activities and developing interventions that would draw on various levels of government. The focus moving forward will be on supporting new industry-based initiatives and encouraging new cooperative activities, and rural development. This was also backed up by the delivery of a detailed market intelligence report involving a detailed assessment of current markets, including identification of market structure; market size; constraints; opportunities captured; and impact on Rooibos and Honey-bush demand; and their share of the total world tea market.

In order to maximise the implementation of best practices from other niche agri-processing industries, the Department commissioned a **wine industry benchmarking study** covering a review of the position of the South African wine industry within the international environment, including in relation to its competitiveness, market position, size, degree of transformation and levels of government assistance. This has provided recommendations and best practice learning that will be applied to new emerging agri-processing sectors.

The Department was particularly active in the **aqua-culture and fishing sectors**, where it played a key role in a number of areas. A very thorough process led to the development of a draft **aqua-culture policy and strategy**, and was supported by the Provincial Development Council, the Provincial Technical Task Team on Fishing and Aquaculture, AISA and industry players. The policy document will be submitted to the provincial Economic Cabinet Committee for approval to be promulgated through a Provincial Green paper / White Paper process. A further international aquaculture stakeholder strategy workshop is planned where discussions and input on the strategy discussion document will be obtained from all stakeholders in the aquaculture industry.

In addition to playing the lead in developing an aqua-culture strategy, the Department has been supporting the **Aqua-culture Institute of South Africa (AISA)**. The principle objective of the AISA is to provide promotional and facilitation services to the entire country on behalf of MCM and other stakeholders, but the realisation of its mandate was halted whilst the national policies of Aquaculture were being resolved.

In 2007/2008, discussions were initiated between AISA and the PDC Task Team as to whether AISA could reconstitute itself to become the Provincial Aquaculture Development Body to implement the Provincial aquaculture strategy. The outcome of these discussions will be resolved in the coming year.

A further intervention has been the collaboration with Irvin and Johnson (I&J) in working towards a mechanism to declare **aquaculture zones** in terms of environmental and planning issues, and the identification of the respective roles of provincial, local and national departments. This would speed up the allocation of sites for aquaculture and the transfer of technology, especially with regard to the development of SME and community orientated aquaculture. The findings of the project will be included in the format of a written manual.

Regarding the fishing sector, the Department has played a lead role in the scoping of **Fishing Villages and Towns**, in order to identify ways to support the economic development of rural fishing villages and towns and their traditional fishing communities. Initiatives have focused on the fishing industry, the aquaculture industry and the broader economic development of fishing towns and villages. Doringbaai has formed the pilot phase of this project, with the unit currently in the process of developing a business plan and technical specifications for the implementation of a hydroponics project amongst others.

The Department also took a lead role in comments and a proposal that led to an alternative policy proposal with regard to MCMs policies for "The Allocation and Management of Medium-term Subsistence Fishing Rights".



The "Allocation and Management of Medium-term Small-scale Commercial Fishing Rights" were submitted to DEAT. The alternative policy proposal was the **CREAD-TURF system**, which is based on the equitable distribution of marine resources, would provide traditional fishing communities with ownership of their livelihoods. This system has now been adopted by the National Government, although it is not clear how this will be effected.

Being one of the largest employers, and one of the most significant in terms of contribution to the GGP, the MEDS identified significant opportunities for intervention within the **food processing sectors**. These include projects in value adding, competitiveness, transformation, innovation and market development. While still in its infancy, the resource-based unit initiated a number of interventions with key role-players within the sector.

Regarding the Workforce Development

Sub-directorate, demand and supply side analyses on six sectors have been completed with comprehensive implementation strategies being researched and workshopped by key role-players. The workforce development interventions will become a key element of the overall sector programme.

ii Major Outputs for the financial year under review

Sector Development

Resource Based Industries

A **food safety certification support programme** was run with CPU, and examined best practices to enhance the ability of the industry particularly the SMME's to meet minimum local and export food safety requirements. This was supported by the completion of a **food export development programme**, in partnership with Wesgro, to build the capabilities of 20 food processing SMME's.

The Department committed itself to examining the potential for **bio-fuels** and played an active

role on the provincial Bio-fuel Task Team. A successful conference was run in association with the

Department of Agriculture. Due however to the controversy surrounding the food-security and environmental considerations, it was agreed that the economic impact assessment and other deliverables should be put on hold.

Manufacturing

The core manufacturing sectors focused on by the Department have been the marine sectors comprising ship-building, oil and gas services and boat-building, the clothing and textiles sectors, furniture and the tooling industry. Minor interventions have been made in the auto-components sector, where a benchmarking club has been formed, and the initiation of a process to take forward planning around a major metals beneficiation hub in Saldanha.

Within the marine cluster, critical capabilities have been put in place towards developing Cape Town as an **Oil and Gas Supply hub**. The **R155m Saldanha Fabrication Facility** has been completed, and was launched during November 2007 by the Deputy President.

The **A-berth repair quay** agreement was due to be signed at the end of the financial year with the upgrading of the berth scheduled for completion by the middle of 2008. There have been some delays due to technical matters relating to the National Ports Authority, but these are anticipated to have been resolved in the new financial year.

The three year R10 million **Oil and Gas Skills programme** funded through the National Skills Development Fund is well under way, and 136 learners have been placed across the skills training and development structures.

The Clothing and Textile interventions

have contributed towards a new sense of optimism within the industry. More than 40 of the largest manufacturers have joined the **Cape Clothing and Textile Cluster**, representing close to 50% of formal employment in the industry, with major breakthroughs in strengthening the alignment



Clotex has contributed towards formalising the Cut Make and Trim (CMT) sector with 175 SMEs actively supported. This has been underpinned by the In addition, the Department partnered with the International Labour Organisation (ILO) and Sactwu in participating and funding a firm level upgrading programme to introduce world-class manufacturing methods into factories.

Within the metals and engineering sectors, the **tooling industry** has developed a range of interventions across skills development, transformation, recapitalisation and marketing that have contributed to turning around the decline in the sector.

The **auto-sector benchmarking** has however

showed slow progress, with the fragmented nature of the local industry preventing significant take up by industry players. The Department is building up its relationship with the furniture industry, which may lead to the formation of a new SPV by industry players in the new year.

Service Industries (ICT, BPO and call centres)

The Services Industries Unit in the Department is comprised of two priority sectors, viz. the Information and Communications Technology (ICT) and the Business Process Outsourcing (incl. call centres) industry, the latter of which is also classified as a special priority sector under the Accelerated and Shared Growth Initiative of South Africa.

Developing Youth for the Job Market



Excited to learn: Minister Tasneem Essop (centre) stands with Mr Siphosiso Zungu (far right) and some learners at the Calling the Cape Campus launch.

Picture Courtesy of Bruce Sutherland

Calling the Cape has implemented a highly successful CADET programme targeted at young, unemployed persons from previously disadvantaged areas. Development included a combination of work readiness skills, accredited qualifications and placement in the BPO industry.

The Calling the Cape Campus was officially launched on 27 March 2008, by Minister Tasneem Essop. As the dedicated centre of ongoing skills development and training towards a career in the BPO industry, it was supported by both the public and private sector stakeholders. Since 2002, the Department has closely collaborated in a public - private partnership with the Calling the Cape, an SPV dedicated to develop and grow the Business Process Outsourcing (incl. call centres) industry in the Western Cape. The call centre industry was earmarked by the MEDS for its high labour absorption and job creation potential.

As a result of the prioritised attention and support to this industry, strong employment growth has been realised, with the industry showing year on year growth of 30% since 2003. Employment in the Call Centre Industry now stands at 22 000, making it one of Cape Town's Top 10 employers. The concept, establishment and launch of the Calling the Cape is a considerable achievement and embodies the institutionalisation of supply side skills development to sustain the growth and development of our BPO industry. It is a first of its kind in South Africa and Africa.



A major output for the **ICT industry** during the past year was the delivery of a focused industry intelligence ICT Census 2007, which provided an indepth analysis of the status of the ICT industry and identified niche industries of strength. Central to the interventions suggested in the study are the need for ongoing co-ordinated public and private sector collaboration and support, particularly around industry-identified competitive constraints including still relatively high telecommunications costs, availability of specialised skills, focused and niche based marketing and promotion, especially punting the potential for growth as evinced in the high levels of innovation demonstrated in our growing niche areas of mobile applications development, retail software development and online digital media niches such as gaming and animation. Utilising the ICT Census as the basis, an Outsourcing, Investment Promotion and Exporting Analysis and Plan was developed, providing the framework for further implementation of international marketing activities.

As a testimony to the **ICT customised SME programmes** implemented by CITI and their business incubator/accelerator Bandwidth Barn (BWB) initiative, numerous ICT companies have gone on to garner major achievements.

There are over 60 companies which are incubated and housed within the BWB of which special mention should be made of are two Cape Town based firms that have long established links and active participation in the networks and programmes implemented by the CITI and BWB. Yeigo was named a finalist in the "most innovative company in Africa awards". Incubeta's has obtained world renown as a search engine marketing and technology company, as well as for its founder being named as the Top ICT Young Entrepreneur in Africa.

Business Process Outsourcing (encompassing call centres) has been prioritised as a priority for job creation as per the MEDS and ASGISA. In December 2007, the DTI launched its BPO Investment Programme and the recipient of the first South African investment incentive for locating its BPO services to South Africa was Teletech, one of the largest and most geographically diverse global providers of BPO solutions. Over the year, "CallingtheCape" successfully facilitated four significant international investments, with a total

value of R140 million, and creating 1739 jobs. The successful investments secured for the Province include Close Brothers, iiNet, Teletech and Paintball Games, of which iiNet and Teletech merit specific attention.

The decision by the Australian Internet Service Provider, iiNet, to outsource the design, operation, and transfer of a contact centre for itself to a Western Cape local company, Merchants, is a major coup for the BPO industry. The contact centre is expected to employ about 188 people once it becomes fully operational in September 2008, with Merchants operating the outsourced call centre for iiNet for a minimum of 12 months. iiNet's decision to plant a customer service centre in the Western Cape is part of the company's approach to provide 24-hour customer service from staff operating out of local, working hours. Says the MD of iiNet, "This strategy will see Australian and New Zealand contact centres transfer customer calls into the Cape Town operation at the end of their day and the start of the conventional work day in SA. He notes that the time difference makes Cape Town the perfect location to service iiNet's Australian market during the night-time hours. The pilot BEE procurement programme saw five BEE companies securing services to corporates with the mentorship and training provided by CtC. In addition, CtC is providing technical advice to Cape Gateway to help ensure that the Province is able to better spread the economic benefits of the government call centre contract.

The Creative Industries:

The two priority sectors falling under creative industries are the **craft and film sectors**, with significant support being given to a new music industry initiative, as well as the visual and performing arts.

Successful marketing and promotion programmes developed in conjunction with the **Cape Film Commission**, resulted in continuous growth in the rand value of foreign investments recruited into the province. This was made possible through the servicing of short, long film and commercial shoots at provincial locations. This year the value is estimated at R1 billion rand.



Some of the programmes include Reel Access Film Industry Imbizo, Film Skills forum, the new media and animation industry development, Runway Resource Centre as well as enterprise development programmes and mentorship.

The **Cape Craft and Design** Institute successfully utilized the Department's core investment of approximately R3.4 million rand this year to leverage an additional R7,5 million rand from private sector, donor funders and additional public sector partners. This significant increase of resources to the CCDI has in turn translated into deepening of programmes and products that were able to support even more significant growth and development for the craft sector in the province.

The CCDI has increased its footprint and distribution of services significantly in that it has succeeded in spreading its influence to sector players outside of the Metropolitan area into the regions and rural communities of the province. Some of the programmes implemented and managed by CCDI include the Gift Warehouse, Mobile Craft Outreach Programme, Raw Materials Bank, Fab Lab as well as various product development and craft operations management workshops, to mention a few.

The programmes initiated in collaboration with the **Performing Arts Network of South Africa** have resulted in the positive positioning of the products and services of this sector. The month of Performing Arts, now in its second year has the potential to become a significant platform that provides for skills development and the development of local live content that could feed into and support the development of other creative industry sub-sectors, and that also has the potential to become the market showcase for attracting international trading partners. They have also developed an innovation mentoring programme for performing arts practitioners, called Brain Bank, which allows for the skills transference for both technical and business support. A new project was initiated which uses a sub-sector of **Hip Hop sub-sector** as a opportunity to influence and support youth and emerging entrepreneurs in economic development. The hip-hop sector was chosen as it cuts across music, film, fashion, visual arts and performing arts. Historically, hip hop has been linked to the Cape

Flats and township areas and has been used effectively in the past as an educational and awareness-building tool aimed at youth in particular. This networking platform will allow for synergies across the hip-hop elements and cross-cultural engagements and also, provides an opportunity for tourism linkages.

The two pilot programmes of the **Creative Business Precincts** continued to be rolled out in Manenberg and Nyanga. These spatially located programmes have become the points that connect the services and programmes of the creative industry cluster to local communities. They are also becoming the connecting points of collaborative effort between different inter-departmental initiatives for economic development and tourism and inter-provincial departmental collaboration. In the second phase of this programme, the Department focussed significantly on infrastructural support as well as business support in the two pilots. Some of the activities in the two pilots include infrastructural projects like the new **Creative Commercial Garden** in Manenberg and an amphitheatre development which is currently underway in Nyanga.

Also, both communities have managed to organise the business sector in their communities and used opportunities to showcase their products & services through community markets so as to strengthen their business opportunities.

Finally, this year also saw the establishment of the **Cape Music Industry Commission (CAPEMIC)**, a sector body that will service the needs, promote growth and develop the music sector in the province. This commission is the first of its kind in the country and will see that the music industry is positioned firmly in the global arena as it focuses on competitiveness, growth, enterprise development & transformation.

Workforce Development (WFD)

Workforce Development has been framed by JIPSA, the Scarce Skills Development Strategy, the Human Capital Development Strategy and latest research findings around the skills shortages and mismatches. The unit has funded, shaped and created sustainable partnerships for skills interventions in prioritised, watch list and



Demand and supply led skills research were largely completed for Boatbuilding, ICT and Tooling with some follow-up work to be done in the new financial year. The demand led skills research was completed for Oil and Gas, BPO, Tourism and Film with the supply side scheduled to be completed by first quarter of the new year. The research findings from these studies will assist the Department in formulating new holistic sets of skills interventions and develop a portfolio of interventions that meet the needs of industry, academia and the economy for the near, medium and long-term.

The interventions in the marine sectors (Oil and Gas and Boatbuilding) include capacity building at the False Bay FET college to develop a three year boatbuilding qualification; ongoing development of unit standards specific to industry requirements; assistance to the fast track training of employees in industry by offering relevant short courses; developing assessment tools; and assisting companies with their MERSETA documentation. In Oil and Gas, 136 learners have started as part of the National Skills Funding that has been channelled through provincial government. This is a significant programme that is now firmly on track, and can be scaled-up significantly.

The development of Skills platforms in Boatbuilding and Oil and Gas in partnership with SPVs and key industry players for particularly skills accreditation initiatives have been a key achievement for the sub directorate as well as leveraging funds from the National Skills Fund for the Call Centre and Oil and Gas training.

Partnering with the SPVs, educational institutions such as the Consortium for Higher Education Council (CHEC) on projects proved valuable in consolidating learning and preventing duplication to enable an increase in the impact of skills interventions by the unit. Activities with CHEC included:

- Establishing a task team to fast track career awareness and acquire industry specific training for learners in Information Technology and at tertiary institutions.
- Facilitating partnerships with the Creative Streets project to provide additional capacity in terms of students and academic participation.
- Sharing challenges and skills reports from SETA's and the Learning Cape Initiative.

- Providing input to and feedback on the Premier's skills task team, for skills research.

The Arts school project as an intervention for the creative sector was not implemented in 2007/2008, although some background scoping was completed. The academic year and an insufficient fund allocation to this project resulted in the project not being feasible. Additional funds and a new academic year enable a feasible pilot to be completed in the new financial year.

Background conceptual work was done on the **RED Campus**. A call for proposals was completed and a service provider identified to conduct the study and undertake the research. The implementation phase was delayed due to the scope of the research being altered and the original funding allocation being decreased.

Work Force Development has ensured its skills strategies have been designed in partnership with the Premier's Task Team and CHEC to ensure alignment and growth of the sectors as whole through human resource development.

Innovation:

Key to the development of **innovative systems** is a culture of learning. DEDT has emulated this key principle through partnering with COFISA, a Finnish government funded programme to enhance the effectiveness of the South African System of Innovation and to contribute to economic growth and poverty alleviation. The Innovation unit is represented on the task team of COFISA, ensuring regional needs and interventions are met.

Since a **Regional System of Innovation (RSI)** is an evolving system by nature, DEDT has engaged with developing a model and strategy towards a RSI, that will be run in partnership with COFISA. The unit, in association with industry, academia and government institutions have embarked on feasibility studies around various niche areas and models for innovation based on regional strengths.

The Innovation Unit has facilitated a number of projects through the two Science and Technology Institutions (AMTL and IAT), which DEDT assisted to



establish as a support to industry. The AMTL has focused on international aerospace, adaptronics, material and surface modification technology and projects in advanced manufacturing technology.

The **Institute for Advanced Tooling (IAT)** has successfully completed 20 projects in the Tooling Sector. The projects ranged from computer-aided-design to computer-aided engineering and high speed machining and prototyping of components. These interventions were at a low cost to SMEs and would not have been possible without the IAT'S programme to assist SMEs.

A further area developed by the Department has been that of **technical textiles**. The focus has been on expanding its market share to meet challenges due to low cost imports and mobilize the CMT skills base. The Technical Textiles project is under way and is due to be completed by end of May 2008. This project seeks to determine whether new textiles can open new markets for segments of the clothing and textiles sector.

The **ICT and Creative Sector Technology Gap analysis** implemented through the Cape Information Technology Initiative (CITI), was successfully completed which generated 19 potential interventions of which 5 were prioritised. One of the key interventions identified was the need for the establishment of an **Innovation Council** to advise, oversee, and facilitate the growth of Innovation in the province. The Innovation unit has had initial discussions with DST regarding the establishment of the council.

The 4 main projects of the innovation unit were spread across the engineering, manufacturing and ICT sectors.

HIV/AIDS:

The key outcome of the programme was the commissioning of **HIV and Aids toolkits**, supplemented by training to ensure effective development and implementation of HIV and Aids workplace policies and training. The programme linked with the RED Doors, ensuring cost effective access to facilities for training and deepening the investment, reach (rural areas) and future sustainability of those businesses through healthy living.

The resignation of the project manager for HIV and Aids led to the peer educators programme not being implemented and the SME training strategy not being re-defined. A consultant shall be hired in the new financial year to assist with the overall refinement of the HIV/Aids unit strategy with one major implementation to occur by March 2009.

iii Major success stories for the financial year under review

The Saldanha Fabrication Centre: On 30 October 2007 MAN-Ferrostaal hosted a hand-over ceremony which marked the completion of the construction of a new Offshore Fabrication Centre in the Port of Saldanha. This project, which emanated from the counter-trade relationship between German companies and the South African Government, has culminated in a R155 million investments in key infrastructure towards establishing the Western Cape as the location of choice for oil and gas fabrication, services and supplies in Africa. Grinaker-LTA have already inhabited the new, state of the art facility and have clients virtually queuing up for work to be done on the site - including some mega-projects of billions of Rands. The site is expected to employ 1500-2500 people when fully operational, and will have to subcontract work for about three times as many people in other engineering and specialised services companies. This critical piece of infrastructure was established through the intense involvement of the Department over a period of 3 years and will provide a catalyst to further major investment in the industry.

BPO: In 2007, a major United States based foreign investor announced its decision to locate its expansion to South Africa, signalling a major coup for the Province's attractiveness as a BPO destination. During 2007, **TeleTech Holdings Inc**, one of the largest and most geographically diverse global providers of Business Process Outsourcing (BPO) solutions, announced its expansion into South Africa, further broadening its global sourcing platform to encompass six continents. Construction of the new TeleTech facility at the Old Match Factory in Salt River, Cape Town, kicked off in late November 2007 with the sod-turning ceremony attended by Deputy President Phumzile Mlambo-Ngcuka and Trade and Industry Minister Mandisi Mpahlwa.



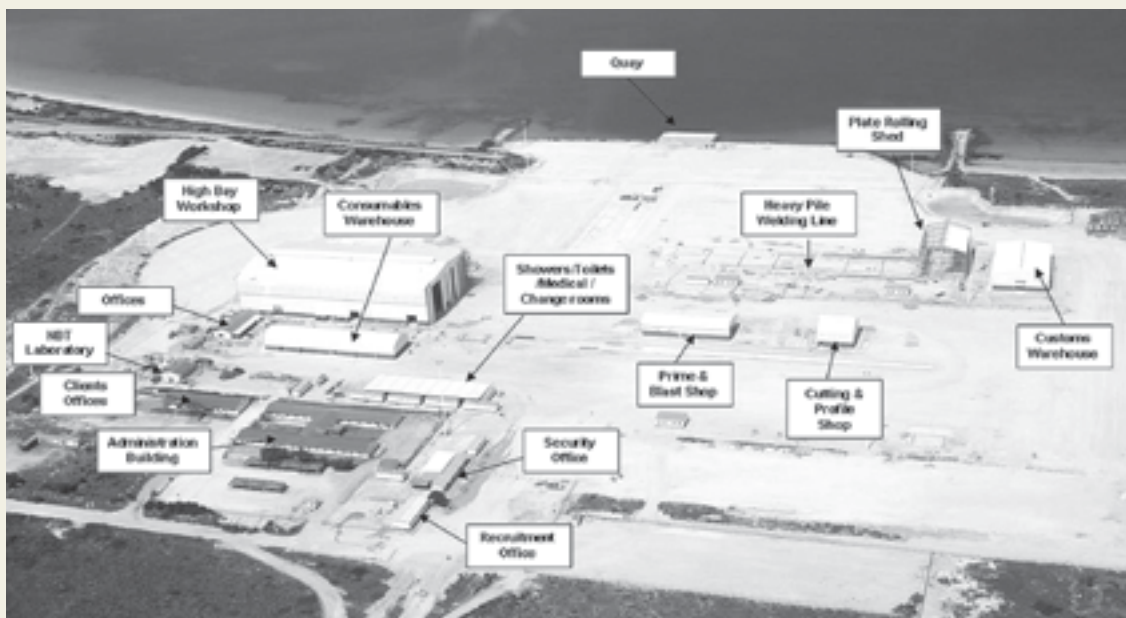
The company already employed more than 50 000 people in 18 countries and Cape Town is its first base on the African continent!

BPO: The opening of a dedicated call centre industry training centre in Athlone, the “**CallingtheCape Campus**” is the first of its kind in Africa. The Campus is fast becoming the showcase example of demand driven skills procurement and development for young and unemployed Black citizens. The past three years has seen rapid

employment-led industry growth (more than 30% year on year) and experience has demonstrated that skills availability is one of the top deciding factors for the potential foreign investor intent on certainty of appropriately skilled labour supply.

This co-insides directly with the concept and launch of the Campus as the BPO industry’s dedicated campus to ensure a constant supply of skilled labour and in so doing, maintain and build upon current high growth experienced in this prioritised industry.

New Offshore Fabrication Centre for Saldanha



Creating major investments: Saldanha Fabrication Facility is currently being built on the old Mossgas site.

The Saldanha Fabrication Centre, which emanated from the counter-trade relationship between German companies and the South African Government, was completed on 30 October 2007. MAN-Ferrosstaal hosted the hand-over ceremony marking the completion of the construction of this Offshore Fabrication Centre in the Port of Saldanha.

The project has culminated in a R200 million investment in key infrastructure towards establishing the Western Cape as the location of choice for oil and gas fabrication, services and supplies in Africa.

Grinaker-LTA has already inhabited the new, state of the art facility and has clients queuing up for work to be done on the site including some mega-projects worth billions of rands.

This critical piece of infrastructure was established through the intense involvement of the Department over a period of 3 years and is expected to employ 1 500 - 2 500 people when fully operational. The site will have to subcontract work for about three times as many people in other engineering and specialised services companies. It will serve as a catalyst to further major investment in the industry.



Cape Film Commission: The Cape Film Commission successfully launched the Cape Film Skills Imbizo, an event that successfully brought together supply and demand side players in the skills development area. The event saw the creation of the Skills Development Forum for the Film Industry, that sets as its aim the development of a skills plan for this sector.

The Runway Resource Centre for the Film Industry was also launched in collaboration with the Workforce Development Unit. It is envisaged that this resource centre will assist, especially, black emerging Creatives to develop their

potential to become successfully entrepreneurs within the sector. The CFC held its first REEL ACCESS film industry imbizo this year which culminated into the Film Awards for the region.

Mobile Outreach Program: The program was launched in collaboration with the Cape Craft and Design Institute as was the realisation of the Craft Mobile Training Vendor. These two initiatives saw the extension of CCDI services to craft Creative's outside of the metropolitan area. The three regions that benefited this year were: Eden, The Central Karoo and the West Coast.

Transforming the Film Industry



Gaining access to the film industry: Media and guests attended the opening of the Film Resource Centre on 22 February 2008 in the Waterfront.

The Runway Film Resource Centre is a project conceptualised by the Department of Economic Development and Tourism and the Cape Film Commission. The project is co-funded by the Department. The Runway Film Skills Training and Development Resource Centre was launched on 22 February 2008. The Resource Centre, whose marketing buy-line is "Where Deals Land and Ideas Take Off", is situated near the Waterfront and has been created especially to assist aspirant young film makers to get a foothold into this dynamic industry. Aspirant filmmakers are able to interact with script editors, line producers and production accountants and learn how to pitch their work and ideas. Here they will gain access to the internet and to valuable research material.

Mr Laurence Mitchell, Film Commissioner for the Province says, "We also need to bridge the gap between the second economy and the first. The industry is, by and large made up of freelance artists who need to compete in an open marketplace." He believes the centre will play a vital role in making sure we are transforming the industry and leveling the playing fields. The centre will help aspirant filmmakers to make successful pitches to broadcasters with greater confidence and provide a marketing plan, a production plan and a budget that will make sense to a prospective buyer. Within the first four months of it been operational, three script writing courses were completed, three screenings and four training initiatives were hosted, 18 individuals and 42 enterprises were assisted and 32 job opportunities were created.



Design Indaba Expo: Creative Industry Cluster of the Western Cape Province successfully collaborated to win the award for the most creative stand at the Design Indaba Expo. This achievement bears symbolic testimony to the developing maturity of this industry cluster to work collectively, to synergise effort and promote growth. It brought together the creative effort of the film and animation industry, the music industry, the visual arts, performing arts, fashion and craft sectors.

Creative Business Precinct: The two pilot programs of the Creative Business Precincts continued to be rolled out in Manenberg and Nyanga. These spatially located programmes have become the points that connect the services and programmes of the creative industry cluster to local

communities. They are also becoming the connecting points of collaborative effort between different inter-departmental initiatives for economic development and tourism and inter-provincial departmental collaboration. In the second phase of this programme, the Department focussed significantly on infrastructural support, as well as business support in the two pilots.

The **Runway Film Resource Centre** was launched on the 22nd February 2008. It is a project conceptualized jointly by the Department of Economic Development and Tourism and the Cape Film Commission and funded by the Department. The Runway Film Skills Training and Development Resource Centre, whose marketing byline is "Where Deals Land and Ideas Take Off",

First Prize at the Design Indaba



Victory: Viola May, Delecia Forbes, Marthinus Van Wyk, Olivia Dyers and Omar Dick (All Creative Industries) showing off the trophy awarded for the most creative stand at the Design Indaba Expo 2008.

The Department of Economic Development and Tourism was awarded first prize for the most creative stand at the Design Indaba Expo 2008. The Department worked in partnership with the members of the Creative Cluster Forum to develop the vision, look and feel of the stand. Creative Industry sub-sectors that collaborated together included film, craft, music, fashion, furniture, performing and visual arts.

Members of Performing Arts Network of South Africa and Visual Arts Network of South Africa were selected as the project managers for the initiative and they appointed an artistic director, Brett Bailey, to assist with the design and outlay of the stand and the activities. The stand started off as a white shell, which would be populated with creations, products and designs, mainly in red. Human bodies in constant movement formed a central part of the experience presented to the visitors. The creations were broken down and recreated constantly. Different visitors to the stand would experience the stand differently due to the constant exchange of the various creative objects.

The trophy, in itself an intriguing creation made up of a wooden branch with sculptured birds mounted on Perspex, will be dearly treasured.



situated near the Waterfront has been created especially to assist, aspirant young film makers to get a toehold into this dynamic industry.

Here, aspirant film makers will be able to interact with script editors, line producers and production accountants and learn how to pitch their work and ideas. Here they will gain access to the internet and valuable research material. The industry is, by and large made up of freelance artists who need to compete in an open marketplace and this centre will play a vital role in transforming the industry and leveling the playing fields. The centre will help aspirant film makers to make successful pitches to broadcasters with greater confidence and provide a marketing plan, a production plan and a budget that will make sense to a prospective buyer.

Boatbuilding Academy: In partnership with CTBi, False Bay College and DEDT, a structured pipeline of human capital to supplement, feed into industry training and grow Boatbuilding has been established.

Boatbuilding has been identified by the MEDS as a high level of development potential and the skills of the labour force is main challenge to reach this growth potential. Thus, DEDT has funded, participated in and provided forums for industry collaboration towards the development of unit standards which form an essential part of learning material and short course development for the Boatbuilding Academy. The Boatbuilding Academy, the first in the Western Cape, provides a basis for best practice towards ensuring appropriate supply of skills to the industry.

The Boatbuilding Academy is expected to complete the development of assessment tools (to ensure matches between career stream and skill and aptitude requirements), conduct the accreditation of trainers in boatbuilding and as part of its sustainable model develop and train short courses based on industry needs for mainly (but exclusively) those employed in industry and provide internships. These initiatives will provide the basis from which to address the key challenges highlighted by MEDS around quality, lack of management skills, intrasectoral cooperation and/or knowledge of production technologies, since these skills interventions are based research conducted with industry representatives.

iv Major Challenges experienced

in the financial year under review

With the completion of the MEDS reports and the prioritisation process, the current challenge that faces Trade and Industry Development is ensuring there is sufficient financial and human capacity to develop and affect the sector strategies and sector interventions.

In the selection of the flagship and prioritised sectors, cognisance has been taken of existing industry-government co-operation and organizational structures, as this means that the sectors can leverage funds from sources other than the provincial government. However, even with external funding, the nature of the interventions will require significant additional financial input from government, and the process of seeking financial partners for interventions requires management capacity.

The implementation of the sector strategies requires Programme 3 to develop a number of sector interventions, consult with industry, local and national government to ensure relevance and obtain buy-in, to initiate and leverage partnerships and financial resources for the interventions, and then to implement and manage the interventions primarily through the Sector Bodies. This requires significant management resources that are not reflected in the structure.

In addition, industry's expectations created by the MEDS and the imperatives of the Department's objectives and targets have meant that we have had to implement a number of initiatives as the sole funder. Emanating from the sector MEDS strategies, these projects have primarily revolved around transformation, skills development and innovation.

The shortage of budgets force the units to form strategic relationships and leverage other stakeholder resources into the various projects which make up Programme 3's various deliverables and sector strategies. This often requires Departmental senior management intervention with counterparts who have the decision-making powers to allocate budget towards the Department's initiatives.



The Chief Directorate also had a significant challenge with one of the SPVs, being Cape Shiprepair. Despite continued interaction over the period of a year, the SPV did not institute appropriate financial controls, and as a result, the Department withheld the funding for the year. This contributed to the decision by the Board to terminate the section 21 body, with the view that the function be more appropriately housed within other structures. Due to the uncertainties of the new

organogram, and final consent for the full structure only being given by Cabinet towards the end of the financial year, meant that many posts in the Chief Directorate were not able to be filled for the year. This has particularly impacted on the SMS level, with only 2 permanent senior managers at director level having to cover 6 senior management posts in the Chief Directorate. This has certainly had an impact



Service delivery achievements

Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Support the growth and development of the Aquaculture sub-sector.	Participation in the National Government's Aquaculture policy development processes.	Participate in the development of the national Aquaculture policies.	<p>The Department submitted stakeholder comments on DEAT's latest draft policy for the development of a sustainable marine aquaculture sector in South Africa. (Notice 799 of 2007)</p> <p>Various Technical Task Team (TTT) meetings were arranged in terms of the aquaculture policy, which included representatives from National Government.</p> <p>A very successful international policy formulation workshop, which included representatives from National Government, Provincial</p>	
	A draft provincial policy and strategy.	Initiate the development of a provincial Aquaculture policy and strategy.	The department facilitated a very successful PDC international policy and strategy workshop, which obtained input and comments from Stakeholders from national, provincial & local government, civil society, labour & business on draft policy and the formulation of a strategy.	
		Consult with Provincial Government departments, the PDC and other stakeholders.	<p>Various Technical Task Team (TTT) meetings were arranged in relation to consultation with government departments, the PDC & other stakeholders.</p> <p>The Department chaired the PDC International Site Visits Planning Committee to Vietnam & the Philippines to inform the Policy and strategy development process in terms of small-scale community aqua-culture. A very successful study tour</p>	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
	<p>A representative and expanded SPV for the industry (AISA) which:</p> <ul style="list-style-type: none"> • Supports DEDT and the other arms of the Provincial Government. • Supports the PDC. • Makes input into the national and provincial Aquaculture policy development processes. • Supports the development of the industry generally including the development of a small scale 	Develop, strengthen, build and increase the capacity and resources of AISA so that it can perform a co-ordinating role in developing and growing	AISA played a role in the following: the policy development process; organising an international stakeholder workshop; a technical advisory role in terms of the PDC Aquaculture International Site Visits to Vietnam and the Philippines; the implementation of a Quality and Health Management Programme; co-ordination meetings with regard to the development of a skills development and training programme (STP); and meetings with regard to the establishment of	
Support the economic development of fishing villages and towns and their traditional fishing communities.	Identification of ways to support the economic development of fishing villages and towns underway.	Launch investigation.	The investigation has been completed. The following fishing villages and towns were investigated: Hawston, Gansbaai, Jacobs Bay, Jantjiesfontein, Abdulsbaai, Elandsbaai and	
	No. of meetings and consultations with stakeholders and inputs from stakeholders into the policy	Consultation with government departments, communities and stakeholders.	The Department has consulted with Provincial Government Departments, National Government Departments, Local Government, Labour, Business, Civil Society	
Participate as a member of the Provincial Biofuels Task Team (Provincial Dept of Agriculture is the lead dept)	Attend and support the Task Team, consultations and sessions.	Attend and support the Task Team, consultations and sessions.	The Department sponsored the Biofuels conference where there were deliberations and discussions to identify criteria to be used in location analysis for a Biofuels production and related agricultural production region.	
	Research needs identified.	Undertake Economic Impact Assessment and/or cost benefit analysis.	Economic Impact Assessment put on hold because of further discussions and analysis on Biofuels in light of concerns of impact on food	Further engagement between relevant stakeholders to determine way



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Develop and support the growth and development of the food-processing sector.	Strategy development.	Strategy development process.	The strategy has now been developed and ongoing consultations are taking place with key industry players to co-ordinate	
	Food certification support investigation underway.	In consultation with other Government depts & industry stakeholders, initiate a food certification	The scoping exercise has now been completed, as part of the SLA the service provider conducted consultations with stakeholders to gather their inputs.	
	Liaise with WESGRO and industry stakeholders.	Liaise with WESGRO and industry stakeholders.	The Food Export Development programme has been completed and an orientation workshop held at WESGRO. The programme is ready for implementation in 2008/2009 financial	
Identification of agri-processing industries with the potential for high growth & development & initiate the development of strategies to facilitate the growth & development	Industries identified and strategy development underway.	Identify industries and develop strategies.	The Honeybush Industry Strategy was completed in June 2007 and the implementation plan of the strategy has been completed. The Rooibos Strategic Business has been completed and it will be implemented in 2008/2009 financial year. The market intelligence study for Rooibos and Honeybush Industries has also been completed, this will be followed with the development of generic marketing and promotional strategies for the respective industries.	
	Liaison with the Provincial Department of Agriculture.	Liaise with Provincial Dept of Agriculture.	Ongoing liaisons with the Department of Agriculture through bilateral meetings and through the PDC have taken place.	
	Benchmarking study of the wine industry underway.	Undertake benchmarking study of the wine industry.	The wine benchmarking study has been completed. The various wine industry best practices models are being further explored so that they can be implemented in other agri-processing sectors such as	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Manufacturing Industry				
Develop and grow the oil and gas sector through marketing, promotion and facilitating investment recruitment and	Amount of investment recruited, work opportunities created or sustained.	Expand support for The South African Oil and Gas Alliance (SAOGA) as the primary agent for the marketing, promotion and growth of local oil and Gas	Support expanded: 12 companies to international trade show. Increase in networking events from 4 to 8. Inward mission of 10 Norwegian	
	Value of media / PR coverage of local industry by	Finalisation of brand ownership with DTI.	Brand issue settled with DTI. DTI rep on Board of Directors. Number of newsletters increased from 2 to 4. R100 000 of media	
	Growth in membership.		Paid members up to 156 - generating R3147 55 in fees.	
Develop and grow the Oil and Gas sector through enhancing competitiveness initiatives.	Number of competitiveness interventions developed in the sector as it relates to: <ul style="list-style-type: none"> • R&D and Innovation, • Skills Development, • Regulatory issues and/or • Enhancing Infrastructure. 	Initiating full feasibility study for the dry dock.	Feasibility study initiated and bids received for adjudication.	
			Initiating pre-feasibility into oil and gas supply hub.	Pre-feasibility RFP advertised, but unsatisfactory response.
		First phase of delivery of comprehensive skills programme.	First phase complete. Providers identified and contracted. First (of 136) learners placed for training.	
		Accredited database of 300 firms developed.	Database of 480 companies, 156 paid member fees.	
		ISO Programme launched to accredit 30 firms.	Programme launched, 22 companies getting ISO accredited.	More co's invited to participate in programme, but will only be ready in 2008.
Develop and grow the Oil and Gas sector through SME and transformation	Number of initiatives which contribute to SME development and	Launch programme for intensive support to 20 BEE companies.	23 companies supported in ISO accreditation and marketing.	
	No of SMEs assisted.	BEE Profiling of members on database.	Full roll-out not initiated – awaiting finalisation of verification agencies.	BEE information events and encouragement of member to embark on



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Develop & grow the ship repair and boat-building industry through marketing, promotion & facilitating investment recruitment &	Amount of investment recruited, work opportunities created or sustained. Value of media/PR coverage of local industry by SPV.	Expand support for Cape Shiprepair (CS) & the CTBi as the primary agents for the marketing, promotion & growth of the local ship repair and boat-building	Support Expanded: participation in 4 international trade shows, 12 news-letters & circulars, R 500 000 of media coverage. Boat-building membership	
Develop & grow the Ship repair industry through enhancing competitive-ness	No of competitiveness interventions developed in the sector as it relates to: <ul style="list-style-type: none"> • R&D and Innovation, • Skills Development, • Regulatory issues and/or • Enhancing Infrastructure. 	Funding of bursaries for boat-building academy.	20 bursaries for Academy learners.	
		Initiate international cost & maintenance bench-marking study across the ship-repair		Sector summit process meant postponing study until strat. Consensus is reached and TNPA processes aligned PDC facilitating summit process. Scope re-defined and agreed by stakeholders. Discussion with TNPA
Develop and grow the Ship repair and boat-building industry through SME and transformation	Number of initiatives which contribute to SME development and	Launch programme for intensive support to 3 BEE companies in ship repair.		BEE support initiated in 2 companies, but not completed. CS terminated. Attempting to transfer projects to SAOGA.
	Number of SMEs assisted.	Support 5 BEE companies in boat-building as part of the Jumpstart programme.	9 BEE companies supported through Jumpstart.	
		Finalise code of conduct for boat-building sector and implement across	Code finalised and implemented in first 5 companies. Further 3 in process.	
Develop & grow the clothing sector through marketing, promotion & building local networking, & the support for the Cape Clothing and Textile	Increase in membership of the Cape Clothing and Textile Cluster (CCTC) from 25 to 35 firms, employing 50% of industry. Consolidate membership within Clotex. Value of media / PR coverage of local industry by	Expand support for The CCTC as the primary agent for the marketing, promotion and growth of the formal industry, Clotex	Target met this is confirmed by the increased member-ship of the cluster members of CLOTEX & CTCC.	
Develop and grow the clothing sector through enhancing competitiveness	Number of competitiveness interventions developed in the sector as it relates to: <ul style="list-style-type: none"> • R&D and Innovation, • Skills Development, • Regulatory issues and/or • Enhancing Infrastructure. 	Skills interventions to be deepened across all sub-sectors. At least 1 significant intervention in each sub-sector. 400 Deepening of benchmarking programme	Target met. Projects include, ITT learn to earn project (machinists), tailored interventions/ mentoring at firm level. Target met. 35 firms benchmarked thus	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Develop and grow the clothing & textile sector through SME & trans-formation	Number of initiatives which contribute to SME development &	Expand competitiveness clubs to 5; covering at least 50 SMME's employing at least 1000 people & SMME designers.	Target not met, focus was shifted to the benchmarking program.	
	Number of SMEs assisted.	Mentorship programme through Clotex to be expanded to 50	Target met. More than 50 companies assisted.	
Develop and grow the metals and engineering industry through marketing, promotion and building local networking, with a focus on tooling and auto-components.	Number of enquiries handled.	Marketing of capabilities of tooling industry and to attract R10m of new orders to the industry.	Not met. A number of projects were targeted, but no direct orders	Ongoing work to refine projects.
	Increase in membership of the WC Tooling Initiative from 20 to 40 firms, employing 30% of industry.	Expand membership of WCTI from 20 to 40 members.	25 members.	
	Membership of the WCABC.	Expand membership of the WCABC from 5 to 8 members.	6 members.	
	Value of PR/media coverage of local industry by SPV.	Obtain R50, 000 equivalent advertising in	No value.	
Develop and grow the metals and engineering sector through enhancing competitiveness initiatives.	Number of competitiveness interventions developed in the sector as it relates to: <ul style="list-style-type: none"> • R&D and innovation, • Skills Development, • Regulatory issues, and/or Infra-structure. 	Skills interventions to be deepened across all sub-sectors. At least 1 significant intervention in each sub-sector.	Tooling supported 20 learners. Provided practical assistance to FET colleges, & upgraded the skills & equipment of 30 operators.	
		Deepening of auto-benchmarking programme to cover 8	6 firms.	
		Participation in Cape Initiative in Materials and Manufacturing initiatives. At least 5 industry/ academia projects to be initiated.	5 projects completed.	
To develop and grow the furniture industry through marketing, promotion and building local networking.	Representative Furniture Steering Committee Industry workshops.	Establishment of furniture initiative.	Furniture initiative not launched.	It was agreed to focus initially on a detailed study of the industry.
Services industries development				
Develop and grow the ICT sector through marketing, promotion and facilitating investment recruitment &	Development and initiation of investment and outsourcing strategy.	Expand support for Cape IT Initiative (CITI) and/or WESGRO in their Industry Support and focused Marketing Programmes aimed at the development, marketing, promotion and growth of Western Cape ICT	Strategic and program-matic support rendered to the CITI in order to assist & facilitate focussed marketing & industry development assistance targeted	
	12 local and international initiatives conducted to position and promote WC ICT industry, to national and international target markets (trade fairs, hosting delegations		14 Local industry events and 1 international delegation completed.	



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	Growth in membership of SPV.	25% increase in new membership and / or existing membership	Membership increased from 11 to 21 companies, indicating a percentage increase of 50%. However, the SPV also launched complementary membership programme entitled IT Associates, since launch in 2008, more than 100 IT companies have joined.	
	Quality and kind of media / PR coverage of local industry by SPV.	Operationalising the recommendations of the Investment Strategy into a focused ICT Marketing Programme of Action and initiation of investment promotion activities.	Growth Strategy complete, with IT Outsourcing, Export Promotion and Investment promotion delineated as separate but interlinked interventions to grow the industry. Strategic recommendations effected into an operational plan of implementation.	
Develop and grow the ICT sector through enhancing competitiveness initiatives.	Number of competitiveness interventions developed in the sector as it relates to: <ul style="list-style-type: none"> • Innovation and R&D, • Skills Development, Regulatory issues, and/or 	Establish terms of reference and framework for Benchmarking and Best		Prior to target implementation, scoping ensued via CHEC, culminating in proceeding with South Africa – Finland cooperation agreements on improving national and regional innovation systems. Currently, an ICT technology gap analysis completed and planned ICT innovation enhancements, via ICT innovation fore sighting planned as conceptual framework preceding
		Initiate and manage benchmarking and best practice intervention within identified ICT hotspots.		Remedial as above applies.
Develop and grow the ICT sector through SME and transformation	Number of initiatives which contribute to SME development and	Launch and manage programmes aimed at SMME and BBBEE growth and transformation in ICT Industry, including Bandwidth Barn specific	Under the ICT Transform focus of the Cape IT Initiative, transformation projects aimed at BBBEE and SME development	
	No of SME/BEE assisted.	Three initiatives / programmes developed.	Via departmental support to the CITI SPV, financial and non financial support effected to more than three CITI-led initiatives and transformation programmes, including SME, focused programmes Youth in	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
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Develop and grow the BPO sector through marketing, promotion and facilitating investment recruitment &	Amount of investment recruited and jobs created.	Expand support for Calling the Cape (CtC) as investment and marketing agent.	Strategic, financial and non financial support to "CallingtheCape" maintained and expanded in terms of programmes funded, strategic meetings attended as well as political support for inward investment	
	Percentage growth in membership of SPV.	25% growth in membership.	Membership increased from approximately 120 firms to 152 totalling increase of 27%.	
	Quality and kind of media / PR coverage of local industry by SPV.	Three major investment projects hosted and facilitated.	Six major foreign investors hosted, the majority being UK based outsource operations.	
Develop and grow the BPO sector through enhancing	No of competitiveness interventions developed in the sector as it relates to: <ul style="list-style-type: none"> • R&D and Innovation, • Skills Development, • Regulatory issues and/or • Enhancing Infrastructure, • Best Practice Centre. 	Identification and refinement of training requirements by BPO	BPO industry specific training and skills requirements identified and refined via the Talent Development	
		Comprehensive implementation of Call centre training programme.	Comprehensive roll-out of BPO industry specific training via the iconic CADET programme, with close to 700 trained in workplace orientation and over 250 foundational industry specific	
Develop and grow the BPO sector through SME and transformation enhancement.	Number of initiatives, which contribute to SME development and	Identify the BPO specific SME & BEE industry opportunities and refine SME and BEE Business Plan, in terms of public sector business development (BPO Procurement) or private sector business development initiatives.	The BPO (incl) call centre private sector opportunities identified, as well as potential for public sector (provincial) procurement opportunities for services relating to outsourced solutions.	
		Initiation of BPO SME & BEE Development Programme.	The Enterprise Development programme initiated & refined, comprising 4 sub projects, including capacity building, market access, mentoring/ coaching and BEE Preferential Procurement by	
	Number of SMEs assisted.	15 SME / BEE firms supported.	15 BPO SMEs pro-grammatically supported via diagnostic assessments and auditing in terms of people, process, technology and operations. Pilot phase of capacity building programme concluded with 5 call centre company	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Creative Industry				
Facilitate the development and growth of the creative industry through marketing, promotion and facilitating investment recruitment &	Number of initiatives facilitated, developed and	Consolidation of existing Creative Streets	<p>Two pilot programmes were successfully consolidated in the communities of Manenberg & Nyanga.</p> <p>Two conceptual frameworks for the development of economic development infrastructure were completed and are ready for implementation in the coming year.</p> <p>The business sectors of both communities have been strengthened and supported through programs to promote business activity, development, and economic growth within the two communities.</p>	
		Supporting Design Indaba.	<p>The Design Indaba Expo attracted 116 buyers & 40 emerging creative's. 254 SMME's were afforded business opportunities through their exhibition stands at the Expo.</p> <p>2 100 visitors attended</p>	
		Supporting the Sessions Programme of Cape Africa Platform.	<p>40 Contemporary African Artists participated. 1 000 visitors attended Cape 07 and an estimate of 6000 experienced the exhibitions, openings, film screenings, performances.</p> <p>Cape 07 conducted weekly bus tours for domestic and international tourists, students and families to exhibition sites at Cape Town CBD, Iziko Museum, Castle of Good Hope, Centre for the Book, Lookout hill Khayelitscha, and 2 sites in Stellenbosch.</p> <p>On site training was afforded 400 emerging entrepreneur Creative's who facilitated the Fringe</p>	
		Appointment of Service Provider to deepen sub-sector strategies and implementation plans.	Deepened strategic frameworks for sub-sectors of Craft, Film, Visual Arts, Performing Arts and Music. Strengthened cluster collaboration through formulation and design of strategic	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
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			Deepened strategic framework for the cluster that promoted the uniqueness of each sub-sector while creating synergy and collaborative programs to optimally activate the full creative industry value chain and promote	
		In partnership with sector bodies implement programmes to improve competitiveness through: <ul style="list-style-type: none"> • Research & Development, • Regulatory programmes, • Effective networking and communications. 	Assisted with the completion of MEDS research on the potential and opportunities for growth within the music sub sector. Each sub-sector implemented significant programs to market, strengthen and communicate their service offerings and products' through distribution of sector newsletters, development of data bases and development of website to facilitate flow of sector information and material. Creative Industry Cluster Forum meetings	
Facilitate the development and growth of creative industries through improving	No of competitiveness interventions developed in the sector as it relates to: <ul style="list-style-type: none"> • R&D and Innovation, • Artistic Skills Development, • Regulatory issues, • Networking, • Facilitating, • Effective communication and information sharing. 	Continued support to strengthen the capacity of the sector bodies launched in the base year and together with them implement the following: <ul style="list-style-type: none"> • Competitive programmes, • Research and development, • Artistic Skills development. Networking Programmes to address regulatory issues	The Performing Arts Sector launched the Brain Bank initiative; an on-line mentorship programme that links Creative's seeking training and mentorship to trainers and mentors in the sector. The Performing Arts Sector launched their month of Performing Arts, planned as an annual event that showcases the product offerings and services of the performing arts sector, develops local and international markets and promotes synergy and collaboration between various sector businesses	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
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			<p>The Visual Arts Sector launched its website, strengthened its data base in order to strengthen its membership of visual arts businesses. Conducted successful skills training course for emerging PDI curators. Visual Arts Sector forged strong mentorship relationship with CCDI to strengthen programmes around design and visual arts service products like graphic design, animators, website designers and new media Creatives. 15 new media workshops and 35 skills workshops executed upskilling 20 Creatives.</p> <p>Facilitated the establishment of a sector body for the Music Industry in the province called the Cape Music Industry Commission (Cape</p>	
Facilitate the development and growth of the creative industry sector through the development of small and medium enterprises,	Number of initiatives facilitated, developed and	In consultation with relevant sector bodies, initiate the development of a common SME framework for the creative industries.	Initiated the dialogue, using the creative industries cluster forum and with PANSAs, and VANSAs particularly, to deepen the strategic framework for the SMME development for visual and performing arts. The dialogue has resulted in an operational plan for this area of work that will inform the implementation	
	No of SMEs assisted.	In consultation with stakeholders, develop SME projects for the creative industries.	<p>15 performing arts entrepreneurs strengthened their businesses through SME development workshop process run over 3 days.</p> <p>Visual arts Network hosted 14 Mentorship sessions where 14 skilled visual arts businesses presented their models and operations to 56 attendees. These ranged from gallery businesses, studio businesses, arts collectives, curatorial services, visual arts consultancy services</p>	



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Facilitate the development and growth of the craft industry through marketing, promotion and facilitating	Number of initiatives facilitated, developed and supported to market, promote and facilitate investment	<p>Strengthening of implementation of the following programmes:</p> <ul style="list-style-type: none"> • Craft route, • Retail-producer linkages. <p>Export readiness programmes for craft</p>	<p>560 crafters assisted through craft partnership meetings.</p> <p>1920 newsletters electronically distributed to crafters and 200 printed copies distributed to rural communities with valuable information to promote growth and development within the sector.</p> <p>6 large scale marketing opportunities afforded established crafters to showcase their work and attract business and orders. Development of the craft route map to market craft businesses in Metropole, Atlantic Seaboard, West Coast, Winelands, South Cape Coast and Overberg, Garden Route and Karoo. 8 producers succeed in receiving orders from Woolworths. 9 producers export to Norway. Craft products from the Province marketed at festival in Poland.</p> <p>Craft Production and Craft operations management workshops completed. Winter School program attracts 22 crafters</p>	
Facilitate the development and growth of the craft industry through enhancement of competitiveness.	<p>No of competitiveness interventions developed in the sector as it relates to:</p> <ul style="list-style-type: none"> • R&D and Innovation, • Skills Development, • Regulatory issues and/or Enhancing Infrastructure. 	<p>Maintain and improve the fab lab.</p> <p>Develop implementation plan for Raw Materials Bank.</p>	<p>Fab lab assists 150 users per month through technology demonstrations, product development clinics. Database of suppliers compiled. Workshops held to familiarise members with the concept and the service offering and it's potential. Conceptualization around the space, operations and sustainable management plan of the Bank needs to be finalised.</p> <p>Business Advice and counselling services provided to all members on a continuous basis.</p> <p>Further discussions in progress with the City</p>	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Facilitate the development and growth of the craft industry through enterprise proliferation, economic empowerment and	Number of initiatives facilitated, supported and	Increase support for SME development programme and transformation initiatives from start ups to fully fledged businesses.	Monthly regional and partnership meetings facilitated around enterprise development programmes for stakeholders in West Coast, Eden and	
Facilitate the development of the film industry through marketing, promotion and facilitating investment recruitment &	Number of initiatives facilitated, developed and	Expand support for the Cape Film Commission.	Deepened strategic partnership with Cape Film Commission on 2 focus pillars of growth; to build local industry through enhanced skills development program, projects that stimulate the development of local content and support transformation in all aspects of the industry. 90 companies actively supported with exports. In addition 25 BEE	
		Sithengi Development of distribution and marketing archive.	Unfortunately, the Board of Sithengi took a decision not to hold this event in the Province this year.	The Cape Film Commission considered the implications of the loss of opportunities that resulted from the cancellation. In consultation with the sector players, the CFC in partnership with the Department delivered a replacement event that sought to retain the original aims and objectives that were achieved through Sithengi. The Cape Film Imbizo was launched with the support of private
		International investment recruitment and marketing drives.	Secured R1 billion rand of investment into the province this	
		Entrench position of WC as a stills and shorts	Refined the locations integration programme. 20 industry professionals trained in Locations Management. Produced 500 locations manuals targeted at local filmmakers and locations professionals. Promotion of Province as "green" and	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
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		Building the film cluster.	Launch of Official Film Awards for the Sector: Imbongi Awards to recognise excellence and achievement of industry players. 36 industry events hosted, that attracted 31 000 attendees. Support membership of 678 members and 170 PDI companies	
Facilitate the development of the film industry through enhancing	Number of initiatives facilitated, developed and supported:	Deepen Programmes	272 companies supported through competitiveness programs. 56 companies assisted to improve productivity.	
	Research and development. Regulatory issues Networking & building the sector Artistic and technical skills	Development of artistic & technical skill enhancement programmes.	60 orphans affected & infected by HIV & AIDS recruited as trainees in film process.	
		Grow new markets and increase indigenous film initiatives.	50 emerging film makers supported to access all film screenings, debates, panel discussions and commissioning forums that took place during the Encounters Festival. New Media and Animation conference held to develop strategies to support local capabilities. 50 PDI's upskilled in skills	
Facilitate the development of the film industry through economic proliferation, economic empowerment	Number of initiatives facilitated, developed and supported.	Matching creative's with enterprise related opportunities.	1200 SMMEs actively assisted through enterprise training initiatives.	
		Skills acquisition for youth and awareness raising programmes of film industry opportunities.	Youth Indaba: 45 youth's workshopped on new media opportunities and the constantly changing landscape of digital	
Facilitate the development of a Provincial System of	The number of science and technology bodies, industry players, across sectors involved in the initiative.	Establish an overarching innovation forum to map out a process towards a	In collaboration with DST and its COFISA programme the Innovation Unit participated in the planning a baseline study on the provinces' Innovation capability, a study tour of Science Parks in Finland and the identification of a suitable site should a Science Park be established. A baseline study has been done by COFISA and a centre of expertise will	The establishment of the overarching Innovation forum has started with the formation of the COFISA task team which started meeting on the 27 th August 2007. The ICT-Creative project indicated the need for an effective Innovation Council operating full-time and which should



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
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			<p>established for the Boat Building, ICT and Biotech sectors. COFISA also conducted a foresight programme of 3 workshops in the province. All these activities together with projects in the ICT-Creative, and technical Textiles sector have been associated with industry stakeholders being active in brainstorming for a stronger Innovation System. At present a proposal is being put forward to DST to assist in the development of a formal instrument to ensure the development of a sustainable Provincial Innovation Council to</p>	<p>facilitating Innovation in the province. There is an acknowledgement that the Forum or Council should be a legally mandated and funded entity, if it is to be effective, the Innovation unit has been in discussions with DST to possibly assist with the establishment of</p>
Facilitate the development of R&D & innovation institutions.	Number of interventions in the science and technology institutions.	Continued support for the CPUT-AMTL to assist with implementing projects and developing global partners.	The CPUT-AMTL has completed 18 projects in the industrial sector and the IAT has completed 20 projects in the	
Facilitate the development of R&D and innovation networks linked to knowledge intensive activities.	The number of knowledge-intensive entities and depths of networks	Further development of networks linked to the innovation system.	Through the ICT-Creative project networks were developed around 4 industries and the Technical Textiles project has established a stakeholder forum as	
		Establish an overarching innovation forum to map out a process towards a PSI as well as 2 sector forums.	<p>Through the COFISA Programme a Provincial Task Team was appointed by DST which met on the 27th August 2008. This team currently plays the role in providing assistance and guidance the COFISA programme in the province.</p> <p>A stakeholder Forum was established for the Technical Textiles project.</p> <p>Stakeholders in the ICT – Creative project comprising 4 sectors preferred to have their SPV'S play the role of</p>	
Ongoing research to develop the provincial system of innovation.	The no. of interventions identified to strengthen the PSI.	MEDS research on Innovation in collaboration with The Co-operation Framework between Finland and South Africa (COFISA) and further technology gap and biotechnology research to	A Research and investigation project was conducted amongst four sectors, namely to ascertain the potential for the ICT sector to act as enabler towards competitiveness for the Film, Music and Craft	The Innovation Unit has adapted its approach & worked on sectoral technology gap analysis such as the ICT-Creative project to establish required



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
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			<p>This project has identified 10 short term and 9 medium term interventions which will increase the competitiveness of these creative industries.</p> <p>Further technology gap analysis will be conducted for the Boat Building sector.</p> <p>A feasibility study around a centre of expertise is underway for biotechnology, ICT</p>	<p>The ICT-Creative project was done instead of the Maritime Technology Gap Analysis.</p>
Provide the appropriate human resource profiles and analysis in support of demand-led strategies.	No. of sectors analysed.	Interventions within sector skills strategies deepened in terms of analysis, particularly re: best	<p>Supply side research initiated for Oil and Gas, Tourism, Film, and BPO's.</p> <p>Demand and supply side research initiated for ICT, Boatbuilding and Tooling sector bodies conducted.</p> <p>Questionnaires and focus groups with key stakeholders conducted to deepen understanding of skills gaps.</p> <p>Case studies initiated to establish possible best practice.</p> <p>Final report and documentation of case studies and</p>	<p>Extension granted Final report with analysis of data & case studies to be submitted end of quarter 1 of 2008/2009.</p>
		2 additional sectors	<p>Tooling and Boatbuilding were additional sectors scoped in terms of supply and demand skills gap analysis.</p> <p>ICT was added as a 3rd sector, since this research was</p>	<p>Extension provided, report due end of quarter 1 2008/2009.</p>
Enhance workforce development within BPO sector.	No. of training provided per sector.	Development, consultation and implementation of workforce development strategies & interventions for specific sectors.	In collaboration with the Services Industries Unit, 76 of 80 learners have completed assessment in BPO through the CADET programme at Calling	
		One significant workforce intervention.	The BPO training by Calling the Cape has had its funding supplemented by the National Skills fund; WFD thus leverages funding to increase access of training to	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Enhance workforce development within ICT sector.	No. of training provided per sector.	Development, consultation and implementation of workforce development strategies & interventions for specific sectors.	Due to the demand and supply skills research being postponed in the previous financial year, no training was initiated	The ICT Census completed by CITI (2007) which feeds into the skills component of DEDT strategy will be used in conjunction with the recommendations from the supply and demand research. Implementation of projects will occur in 08/09 based on the outcomes of the research and surveys.
		One significant workforce development intervention.	Encouraging innovation and entrepreneurship amongst ICT learners through Department of Economic Development and Tourism with CHEC (a higher education consortium) forming a working group. Initial scoping of entrepreneurship training of ICT learners	
Enhance workforce development within Oil and Gas sector.	No. of training provided per sector.	Development, consultation and implementation of workforce development strategies & interventions for specific sectors.	136 learners training in scarce skills in partnership with the National Skills Fund initiative. In conjunction with the Manufacturing Unit, facilitated the completion of training for 6 welders in partnership with the City of Cape Town. In conjunction with the Manufacturing Unit, assessment of learners refined with 1 Psychometric assessment tool identified to assist with improving match with applicant and career choice, aimed at increasing retention and appropriate match of skill to career	
		One significant workforce dev. Intervention.	In collaboration with the Manufacturing Unit, 132 learners identified to undergo supplementary and industry specific training with Master	
Enhance workforce development within Tourism sector.	Number of training provided per sector.	Development, consultation and implementation of workforce development strategies & interventions for specific sectors.	In conjunction with the Tourism CD, 5000 tourism career guide handbooks distributed to various schools in the W.Cape to assist	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
			<p>awareness of career opportunities and informed choices in the tourism sector.</p> <p>In conjunction with the Tourism CD, 43 learners trained in various careers in</p>	
		One significant workforce intervention.	1 Focus group conducted and facilitated by the Department, including stakeholders from academia, industry and relevant government departments to assist refining the Human Resources strategy. Data co-allated into a demand and supply	
Enhance workforce development within significant sectors.	Number of training	Tentative workforce development strategies for specific sectors.	Together with MerSeta and the Western Cape Tooling Initiative design a intervention to Supplement existing training in Tooling with Computer Aided Design skills.	
		Development, consultation and implementation of workforce development strategies & interventions for specific sectors	<p>In conjunction with the Creative Industries Unit, in the creative sector the training the following sectors were completed:</p> <ul style="list-style-type: none"> • 30 producers, • 30 scriptwriters, • 12 digital high definition camera courses, • 60 people cast training and production management, • 60 enterprise development learners, • 60 animators, In School initiatives: • Arts school program outlined and service provider identified, • Art school program not implemented 	Additional funds were provided for this project to ensure impact. In 2008/2009 the arts school programme will be scoped, piloted and rolled out into various schools.
		One significant workforce intervention.	Collaboration with the Creative unit motivates for and establishes a Resource Centre for Film. Public private partnerships were harnessed to leverage the Department's funds and this centre is	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Increase demand-led workplace learning in line with work re-organisation, technology changes	No. of training of currently employed.	Implement strategy with one industry and provider in agreed on skill area.	<p>Participated in and ensure the establishment of a Boatbuilding Academy in the Boatbuilding industry.</p> <p>Department of Economic Development and Tourism and CBTI ensured strategically that the Boatbuilding Academy responsible for developing learning material, world class trainers and unit standards that match industry needs and ensure contribute to grading for career pathing.</p>	
Development and support of SME skills strategy and	<p>A Skills Development Strategy.</p> <p>Scoped project ready for</p>	Analysis of best practice with SME skills development programme.	<p>In collaboration with the Enterprises Development Unit:</p> <ul style="list-style-type: none"> • Call for proposals complete and service provider identified to conduct study, • Research underway, • Delay in Department of Economic Development and Tourism in approving scope of research and funds originally allocated decreased, • Study not complete which would include 	Extension granted that scoped project be ready for implementation by Quarter 2 in 2008/2009.
Co-ordinated and joined up government strategies within the workforce environment.	<p>Participation with relevant stakeholders.</p> <p>No of meetings held.</p>	Active participation in various forums, including Premier's Skills Task Team, CEL, NSF, Provincial SETA Forum, national initiatives where relevant, LCI etc.	<ul style="list-style-type: none"> • <u>Contact sessions:</u> • Premier's Skills Task Team: 3 meetings, • MerSETA: 1 meeting, • CEL: 6 meetings, • NSF: 1 meeting, • Provincial SETA Forum: 1 meeting, • LCI: 2 meetings, • CHEC: 6 meetings, • CTBI skills task team: 2 meetings, • Tourism Task team: 1 meeting, • Cape Film Commission skills strategy with Board: 1 meeting. • Projects initiated: • Design a intervention to Supplement existing training in Tooling with Computer Aided Design skills, 	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
			<ul style="list-style-type: none"> • Research regards retention and recruitment strategies for Higher Education in priority sectors. • Continue Supplementing funding of NSF for training in Oil and Gas. • Participation of students and academics (CHEC) in spatial planning and creative street initiatives with DEDT. • Focus group established to pilot an ICT entrepreneurial program, supplementing academic learning. • Develop integrated strategies for 2010 around volunteering and what the Higher Education institutions offer to guests of the W. Cape. • Identify the unit standards required by Boatbuilding that are relevant to industry requirements and shall allow upskilling and 	
Improve enterprise competitiveness by developing & implementing HIV/AIDS prevention and awareness programmes.	Number of enterprises that have developed & adopted HIV/AIDS policies and programmes.	Strengthening and supporting the BPO pilot programme. In consultation with relevant stakeholders, develop a plan for one sector, using methodology	<p>HIV and Aids Toolkits were acquired and distributed in SMME's.</p> <p>Peer educators intervention postponed.</p> <p>30 peer educators, 10 in each BPO company will be completed this year and the learning's will refine the project and be rolled out into the Boatbuilding sector before the end</p>	The only staff member in the unit resigned. The peer educators programme and roll out of the DEDT HIV and Aids strategy and roll-out into the BPO sector is postponed until a complete review of the initial strategy, focussing on methodology, role, stakeholder relationships and
		In consultation with stakeholders, develop an HIV/AIDS plan for SME.	<p>SME plan developed by DEDT internally.</p> <p>Due to the resignation of the only staff member in the unit, the external stakeholder was not recruited to assist</p>	A consultant will be hired in quarter 2 of 08/09 to develop an HIV/AIDS plan for



Programme 4: Business Regulation and Governance

Purpose

The purpose of programme 4: Business Regulation and Governance is to ensure fair, socially responsible business environment within the Western Cape, through general intervention within the trading environment and through specific interventions mandated by the Constitution and national and provincial legislation and policies.

Service delivery objectives and indicators

i Key deliverables

The implementation of the Western Cape Consumer Affairs (Unfair Business Practices) Act (including the operationalisation of the Consumer Tribunal):

The OCP has made considerable progress with its efforts to implement the Western Cape Consumer Affairs (Unfair Business Practices) Act, 2002 (Act 10 of 2002) during the 2007/2008 financial year. The Premier issued a proclamation on 7 March 2008, stipulating that the Act will commence on 10 March 2008, providing the OCP with the legislative authority to proceed with the full implementation of the Act. The Department has accordingly initiated the process of appointing members of the Consumer Tribunal as prescribed in the Act. The prescribed legislative process requires the Minister to invite interested parties to nominate candidates for consideration as members of the Tribunal. It is anticipated that the process of appointing Tribunal members will be completed within the 2008/2009 financial year, after completion of the shortlisting and interviewing processes. The OCP has also progressed with developing the Regulations that must be issued in terms of the Act. These regulations are critical for the effective implementation of the Act, as it will contain all forms that must be utilised by the various institutions when enforcing various provisions of the Act. The Regulations will also specify the operating procedures that must be complied with by the Consumer Protector and the Consumer Tribunal. The Regulations will be evaluated and

edited by the Legal Services branch within the Department of the Premier's and it is anticipated that this process will be finalised in the second quarter of the 2008/2009 financial year, whereafter the Regulations will be published for comment as per the dictates of legislative procedure. It is however, important to note that the Act prescribes that the Chairperson of the Consumer Tribunal must be consulted during the process of finalising the Regulations. It was thus imperative to ensure the commencement of the Act in order for the Chairperson of the Tribunal to be appointed. Once the aforementioned requirements have been met, the legislation can become operational and the Consumer Tribunal can be operationalised.

Position the Office of the Consumer Protector as a Provincial Credit Regulator in terms of the National Credit Act, 2005:

The National Credit Act, 2005, was only fully implemented on 1 July 2007. As a result, the juristic body created by that Act, the National Credit Regulator (NCR), is at this stage focussing on its role as the national regulator for the credit industry. Its interaction with provincial consumer protection authorities and their role as provincial credit regulators will in all probability only commence around the final quarter of the 2008/2009 year. In addition to the aforementioned, the process of correctly determining the human resource and budgetary allocation required for this additional function for the OCP is likely to have an impact on the implementation of this target.

Establish the Office of the Consumer Protector and implement education and awareness campaigns:

Significant progress has been made in establishing the Office of the Consumer Protector office as well as implementing education and awareness campaigns. A director for the OCP was appointed during the 2007/2008 financial year, enabling the office to undertake projects specifically aimed at consolidating the OCP brand and raise awareness of the office. These two interventions, i.e. establishing the office and education and awareness, are closely linked, since in order for the OCP to become well established, effective education and awareness campaigns are vital.



A number of education and awareness events have thus been completed during the 2007/2008 financial year, with the objective of creating awareness about the OCP and also educating consumers about important consumer-related matters. The OCP has in fact conducted a record amount of education and awareness events across the Province during the 3rd and 4th quarter of the 2007/2008 financial year, greatly assisting in the effective establishment of the Office of the Consumer Protector as a brand. A number of additional strategically important appointments within the sub-directorates, Tribunal Support and

Education and Awareness were also in the process of being finalised before the end of the 2007/2008 reporting year. These appointments will ensure that the OCP is fully established and able to meet its strategic objectives such as enhanced education and awareness around consumer-related matters. A communications and awareness strategy has been developed and preparatory steps taken to ensure that certain awareness campaigns and projects identified in the strategy may be implemented early in the new financial year.

Know your Consumer Rights



Fighting for consumers' rights: World Consumers' Day at Beaufort West had a high attendance. Attendants had a fruitful question and answer session. Representatives of the Beaufort West, Laingsburg and Prince Albert Advice Offices with officials from the Office of the Consumer Protector were amongst those who contributed to making the day a success.

It is more important than ever before to know what your rights as a consumer are and how to enforce them. The Western Cape Department of Economic Development and Tourism's Office of the Consumer Protector celebrated World Consumer Rights Day on 15 March 2008 by hosting six events in various communities across the province.

World Consumer Rights Day is celebrated annually on the 15 March in solidarity with consumer movements internationally.

The focus of the OCP was to create awareness amongst the communities of the Western Cape of their rights as consumers. The 27 Consumer Advice Offices across the Western Cape funded by the Department were all involved in the celebrations.

These events identified with the National Consumer Forum's theme for World Consumer Rights Day, namely "Consumer Rights and the fight against Poverty".

In the Metropole the main event took place at Vangate Mall on Saturday, 15 March 2008. The focus was on consumer protection. The entertaining presentation made it an enjoyable day.

Events also took place in George, Ashton, Riversdale, Vredenburg and Beaufort West.



ii Major Outputs for the financial year under review

Office of the Consumer Protector

The 2007/2008 financial year saw the Office of the Consumer Protector making significant progress towards operationalising the Consumer Tribunal as prescribed in the Western Cape Consumer Affairs (Unfair Business Practices) Act, 2002. The Act, has commenced as a Provincial law on 10 March 2008 and initiatives have been commenced to implement the provisions of the Legislation. For example, the Regulations that are required for the full and effective operationalisation of the Legislation have been developed and are in draft format. The finalisation of these Regulations will be undertaken in the 2008/2009 financial year. In addition, the prescribed requirements as contained in the Legislation for the establishment of the Consumer Tribunal have also been initiated and will be fulfilled in the first quarter of the 2008/2009 financial year. One of the primary reasons for the delay in operationalising the Legislation related to the need to assess the impact of the provisions of the National Credit Act, 2005 (Act 34 of 2005) on the provisions of the Provincial Legislation.

During the year under review, the OCP continued to make progress with regards to turnaround times in respect of internal consumer complaints resolution. The procedural call-back response time for complaints lodged at the call centre has been maintained well within the internal standard rate of 48 hours. In fact, approximately 65 % of consumers were contacted on the same day they contacted the call centre, for the first time. The outsourcing model allows consumers to lodge complaints at the call centre via a toll free number, where details of the complaint are recorded by a call centre operator and transmitted to the OCP via e-mail on a shared software management system. The model has been utilised by the OCP since August 2003, and has become a best practice model, as it was implemented by the National Department of Trade and Industry in 2006 and is being considered by other Provinces as well. In addition, an increase of approximately 10% was recorded in the annual number of complaints dealt with by the OCP. This increase in complaints can be attributed to the enhanced education and awareness initiatives conducted by the OCP across the province as well as an increase in consumer rights awareness brought about by the National Credit Act, as well as the

Consumer Protection Bill.

A series of six training workshops on the National Credit Act, 2005 was completed over the months of September and October 2007. The training was provided to advice office staff and management committee members and was aimed at capacitating them to provide effective advice to consumers on credit issues. In addition to this training, advice office staff attended a variety of education and awareness events facilitated by the OCP. These events included workshops that were conducted by a variety of industry regulators e.g. the National Credit Regulator, Financial Services Board and Council for Medical Schemes.

The electronic case management system, CMaTS-OCP, was installed at the Bonteheuwel Advice Office as part of a pilot project in 2006. The extension of this electronic system to the remaining 26 advice offices was expected to take place during the 2007/2008 financial year, but its roll-out was prevented due to circumstances beyond the control of the OCP. The enhancement and extension of the CMaTS system had to be approved by the State information Technology Agency (SITA). However, certain difficulties on the part of SITA impacted on the OCP's ability to meet the identified target date. As a result final approval for the enhancement and extension of the CMaTS system at the 27 advice offices was only obtained from SITA in mid-March. The operationalisation of the system will take place during the 2008/2009 financial year. It will greatly assist Advice Offices to properly record and track cases attended to in those offices, and to provide more accurate statistics and monthly, quarterly and annual reports to the OCP. The system will also enable the OCP to enhance its monitoring and evaluation of the performance of and service delivery by the Advice Offices.

The OCP was instrumental in the unification of the majority of Advice Offices in the Province under the banner of the Western Cape Advice Office Association (WCAOA). The mandate of the WCAOA includes that of playing a facilitating role for securing additional funding for Advice Offices in the Province (whether funded by the OCP or not). In this regard the WCAOA scored a major success by securing R 1 million in funding from Danish donors for a "Youth At Risk" programme within the Cape Town Metropolitan Region.



This additional funding will be of great value to the Advice Offices within the Metropolitan Region and it is anticipated that the project could be extended to other offices within the Province. The WCAOA has also played an effective role in organising Advice Offices within the Province and an enhanced contribution is expected in the 2008/2009 financial year.

The Education and Marketing Unit registered a record number of education and awareness events during the 2007/2008 financial year. These events included regular mid-week slots on several community radio stations such as Radio KC (Paarl),

Radio Zibonele (Khayelitsha), Radio Atlantis (Atlantis), Radio Helderberg (Somerset West), Radio Franschhoek (Franschhoek) and Eden FM (Southern Cape). More than 50 workshops and information sessions were held in conjunction with various regulators in all areas of the Province, and preparations for 2 major awareness campaigns, one industrial theatre production and the other print media, were completed for execution in the 2008/2009 financial year. In addition, the unit successfully staged 6 separate events across the Province in celebration of World Consumer Rights

Office of the Consumer Protector on the Road



Educating Consumers: Lyndon Johnson from the Office of the Consumer Protector and Linda Mahubo from the Financial Services Board, educating the public at the Regulator Roadshow.

The aim of the Regulators Roadshow was to raise awareness of the services of the Regulators and Industry organisations as partners in consumer education. The roadshow was also aimed at making the communities aware of consumer issues over and above the normal commercial transactions. The Office of the Consumer Protector (OCP) embarked on a Regulators Road Show during October 2007.

The communities of Worcester, Robertson, Ashton, Montagu, Bonnievale, Heidelberg, Riversdale, Swellendam, Bredasdorp and Bonteheuwel were exposed to first hand knowledge about consumer issues. The focus was on critical areas, for example insurance, finance and micro-lending.

The National Credit Regulator answered questions on the National Credit Act and the rights and obligations of the consumer with regards to the Act.

The Council for Medical Schemes provided guidance with regards to issues around choosing the right medical scheme, minimum benefits and more.

The Financial Services Board alerted the communities about the identification of pyramid schemes and scams around burial societies.

The National Energy Regulator answered questions around electricity issues.

During the road show valuable information with regards to the expectations of the communities were also gained. This will be used by the OCP in future consumer education programmes.



Day on 15 March 2008. These events were focussed on creating awareness amongst the broader public about consumer rights and the various consumer protection agencies that provide assistance to consumers. The events, some of which also had participation from the private sector, were attended by representatives of approximately 40 Advice Offices from across the Province. Representatives from a variety of industry regulators e.g. the National Credit Regulator, Financial Services Board and Ombudsman for Banking Services, also attended the event and conducted workshops. In the interest of cost-effectiveness, the events were used as an opportunity to finalise funding agreements with the 27 funded offices.

Liquor Regulation

By the end of the 2006/2007 financial year the unit had achieved the major milestone of having the Western Cape Liquor Bill approved by the Western Cape Provincial Legislature. It therefore set about the next steps to progress towards promulgation and implementation of the Legislation: In April 2007, negotiations were initiated with the Ministry of Trade and Industry pertaining to the certification of the Bill as being compliant with the prescripts of the Liquor Act; at the same time, the Regulations to be issued in terms of the Bill were drafted in anticipation of the aforementioned certification by the (national) Minister of Trade and Industry, and the proposed fee structure to be implemented under the new Legislation was reviewed and a submission drafted for the Provincial Minister responsible for finance to approve these tariffs. All this preparatory work was stalled when the Bill could not be assented to by the Premier within the peremptory 45-day period after approval by the Legislature, as stipulated in the Western Cape Constitution, due to the fact that agreement on the compliance of the Bill had by then not yet been reached between the Department and the Minister of Trade and Industry.

After considering various options and obtaining legal advice, it was decided to use the opportunity to revise the Bill to, amongst other things, provide for the restructuring of the Liquor Board to align it with other management Boards. The revised Bill was eventually introduced in Parliament during February and published for comment on 14 March 2008, with the deadline for written comments set for 16 April (later extended to 7 May) 2008.

The internal workflow improvements which were implemented in 2006/2007 were further refined,

enabling further reduction in turn-around times in the processing of applications. Some of these gains were however compromised by the sheer volume of work, which continued to increase, mostly due to an increase in the number of new applications for licences. This increase appears to have been spawned by two factors: applicants, potential applicants and their representatives becoming aware of the faster rate at which applications were being processed, and perceptions that it will become more difficult to obtain certain types of licences under the new legislation. Some of the pressures brought about by the increase in work volume were successfully addressed by re-organising of staff and use of contract workers and interns, but will only be effectively and permanently dealt with when more human resource capacity is put at the unit's disposal.

The development of a new liquor licensing system initially proceeded well, but was stalled later in the year due to the State Information Technology Agency (SITA)'s refusal to approve the procurement, by way of single source tender, of the services of the company whose system the unit sought to adapt for this purpose. This obstacle was only removed during February when the Board managed to procure and conclude the agreement outside of the SITA Act and framework, based on the Board's public entity status in terms of the Public Finance Management Act, 1999 (the PFMA).

A major communications strategy was drafted with specific focus on the initiatives which would have to be launched immediately after the promulgation of the legislation to raise awareness amongst members of the public and specific interested parties (community policing forums, law enforcements agencies and institutions, government departments whose objectives include and/or relate to the reduction of harm associated with alcohol consumption, relevant Non-Governmental Organisations (NGOs), and industry players and representative bodies) of the provisions and ramifications of the new legislation. In view of the fact that the legislation was not implemented, the strategy could not be implemented in its totality, but aspects thereof were, such as regular radio slots.

The unit also released several media statements, both with regard to the proposed legislation and response to public comment on applications considered by the Board during the year under review.



The unit's proposed outsourcing of non-core functions could, for the second successive year, not be proceeded with due to the ongoing delays in the awarding of a tender for a new call centre/BPO service provider for the Provincial Government. It has therefore been decided to explore the possibility of appointing such a service provider for the unit on the same basis as with regard to the liquor licensing system, as referred to above.

The annual liquor licence renewal process was completed successfully, seemingly with a further drop in non-renewals (this will only be confirmed after all the receipts in respect of licence renewal payments have been received from the South African Revenue Service (SARS) and captured on the database). However, the non-availability of a BPO service provider to enhance even this process through technological processes like bulk-SMS's, bulk e-mailing and outbound telephony continued to frustrate the unit's efforts to reduce non-renewals as a result of negligence on the part of the licence holders. Whilst it could be argued that the application of the above means of reminding licence holders to renew licences go beyond the Board's legislative obligations, non-renewals result in (at least temporary) revenue losses for the Provincial Government and increase the Board's workload without a concomitant increase in revenue when new applications in respect of lapsed licences have to be processed and considered by the Board.

The Board again sat a record number of times in the year under review. Sittings in rural areas, in particular, increased dramatically over previous years. Whilst this is costly, applicants and objectors have expressed their appreciation for this approach, as a demonstration of Provincial Government engagement at local level.

As mentioned above, the non-implementation of the provincial liquor legislation resulted in the unit's communication and marketing initiatives having to be put on hold. However, it continued to spread its footprint through its funding, by way of transfer payment agreements to FASfacts and the Association for Responsible Alcohol Use (ARA) for awareness and prevention programmes in the areas of foetal alcohol syndrome (FAS) and responsible drinking and trading.

The sub-programme's activities contributed to the department's outcomes with regard to

- Enhancing service delivery (the waiting period for new applications to be enrolled for consideration generally kept within the internal standard of 90 days);
- Growing the economy and creating employment (the shortened turn-around times enable businesses to move towards implementation of their business plans, whether for initial setting up or expansion, including recruitment of staff);
- Making ownership of the economy representative of the demography of the Province (the number of approvals in respect of PDI liquor businesses increased, for the second successive year, in proportion to the total), and
- Creating a fair, effective and conducive business environment for enterprises and consumers (firmer regulation of liquor establishments, banning the sale of liquor in papsakke and support to initiatives to promote province-wide application of the Code of Practice for responsible liquor trading).

iii Major success stories for the financial year under review

Office of the Consumer Protector

The record number of education and awareness events held during the 2007/2008 financial year is a huge achievement by the OCP, especially in light of the human resource constraints it faced. The majority of these events focussed on consumer issues that were highlighted as important by consumers living within the area where the event was conducted. The impact was targeted and consumers were provided with relevant and critical information. These events had a direct effect on the number of complaints lodged with the OCP, with an increase recorded after each awareness event. The branding and profile of the OCP was also optimised during these events and a steady improvement in the awareness rate of consumers about the OCP has been noted.

Another success of the 2007/2008 financial year relates to the forging of partnerships with a number of strategically important role players. In particular, a relationship has been established between the OCP and the Cape Peninsula University of this unit focuses on providing learners with practical



experience in their field of study. For example, first year public management students participated in a few awareness events that were hosted by the OCP. The students had the opportunity of experiencing first hand how the elements of Batho Pele were enforced by the OCP during its workshops and information sessions. The students also gained valuable insight into the workings of Government and its commitment of ensuring service delivery to its communities. Towards the end of the 4th quarter a further initiative with CPUT was undertaken. In this project 3rd year public management students participated at a few of the World Consumer Rights Day events. The students assisted the OCP in conducting surveys on a number of important issues, e.g. level of awareness of consumers about the OCP and advice offices and the quality of information provided to consumers. The feedback provided by the public to the students was invaluable as it provided the OCP with a clear indication of the areas where further awareness and marketing needs to be done during the 2008/2009 financial year.

Strategic partnerships have also been established with the majority of consumer regulatory bodies within the country. These partnerships have seen an increase in the level of co-operation between the OCP and the regulators. As a result of this an increase in the number of joint awareness events has been recorded for the 2007/2008 financial year. In particular a joint "roadshow" between the OCP and regulators was conducted over a one-week period in October 2007. The emphasis of the roadshow was creating awareness amongst consumers about consumer protection matters. The OCP has also established linkages with a number of Municipalities across the Province and joint awareness campaigns were held and will continue to be held in the 2008/2009 financial year.

Liquor Regulation (Liquor Board)

Ironically, the unit's failure to ensure full passage and implementation of the Liquor Bill resulted in the proposed legislation, already acknowledged as a benchmark for such Legislation in the South Africa (for its policy background, specific provisions and rigorous public participation processes) being improved even further, as it seeks to better define and clarify the roles of the management structure (the Liquor Board), the technical decision-making body (the Liquor Licensing Tribunal), the executive authority (Minister) and the parliamentary oversight

structure (the Standing Committee). The revised Bill, to which comments could be submitted up to 7 May 2008, is due for adoption and promulgation in the 2nd quarter of 2008/2009.

The unit continued to distinguish itself as the most efficient liquor authority in the country, according to reports from applicants' representatives. The implementation of the technology-reliant service delivery improvement measure referred to above will further consolidate its position as a leader in this regard.

The Western Cape Liquor Board has also made much progress with regard to the procurement and operationalisation of a liquor licensing administration system to replace the outdated system inherited from the National Government in 1996 when the responsibility for liquor licensing was devolved to Provinces. The process was somewhat slowed down due to a decision of the National Liquor Regulators Forum (NLRFF) to jointly proceed with the development of specifications and procurement of such a system. After initially participating, the Western Cape withdrew from the joint initiative and is likely to be able to implement the system it had developed by the external service providers in the 1st quarter of 2008/2009.

Whilst the unit has no education/awareness and or communications/marketing division, it won wide praise for its efforts around FAS and responsible consumption campaigns through its funding of projects pertaining thereto. Other provincial liquor boards have accordingly started to engage with the NGO's and the industry association funded by the Western Cape Liquor Board with a view to entering into similar agreements.

iv Major Challenges experienced in the financial year under review

Office of the Consumer Protector

One of the primary challenges that faced the OCP during the 2007/2008 financial year related to the vacancy of the position of Director. This position was filled in mid-July 2007 and certain initiatives and projects needed to be conceptualised and developed by the new management. The resulting challenges associated with this process contributed to the



The lack of sufficient human resources within the OCP remained a challenge during the 2007/2008 financial year. This challenge required innovation and dedication on the part of the staff of the OCP, with staff members often having to assist in areas falling outside of their core functional area. This situation is in the process of been addressed, with vacancies being filled and a full staff complement being the target for mid-2008/2009.

Liquor Regulation

The Liquor Board faced major challenges on various fronts during 2007/2008. These included delays and obstacles relating to the Legislative process around the Provincial liquor Legislation (the Western Cape Liquor Bill); organisational development issues; procurement delays in respect of major projects and the need to accommodate other Provincial liquor authorities in decision-making processes.

The legislative issues are in the process of being addressed as part of the processes attendant upon the Bill and should be resolved by mid-2008/2009. The procurement delays regarding the liquor licensing system were overcome by relying on the Liquor Board's listing as a public entity, enabling it to proceed with the procurement outside of SITA constraints. The same approach will be followed with regard to other technology-related procurements in future, whilst continuing to comply with PFMA and other applicable procurement prescripts.

With the challenges having been overcome or overtaken or eliminated by subsequent events by the 2007/2008 year-end, the unit is confident that it will be able to proceed towards the establishment of the enactment of the Provincial Legislation and the re-establishment of the Board as a public entity without undue delay in the new financial year.



Service delivery achievement

Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 4.2: Office of the Consumer Protection				
Strengthening and enhancing the operation of the	The number of cases presented before the	Consumer Tribunal operation consolidated, monitored and improved and number of cases increased by 25% per	Consumer Tribunal not operationalised and as a result no hearings were held.	Consumer Affairs Act commenced; Regulations drafted and legislative process initiated. Regulations to be finalised in 2008/2009 financial year. Process of appointing Consumer Tribunal members initiated to be finalised in 2008/2009 financial year.
Provision and maintenance of effective and appropriate internal systems that enable consumers to lodge their complaints and queries with the OCP.	A single, fully functional and effective system for receipt, recording, management and finalisation of consumer complaints, enabling reduced turn-around periods on complaints lodged with	Procurement, installation and operationalisation of single system with transverse application	All internal systems within the OCP fully operational. Further development to enhance system. Extension of system to advice offices not commenced due to SITA's initial disapproval of single source procurement. SITA approval obtained in March and preparations for 2008/2009 roll-out to OCP-funded advice	
		Decision on establishment of mobile complaints/ education office. If affirmative, procurement process commenced.		Decision taken not to establish physical mobile office due to cost implications. Education/awareness events held in various locations across the Province including provision of complaints assistance at locations. Closer co-operation initiated with RED Doors as means to
	Increase in number of complaints handled at OCP.	Implementation of recommendations in study report.	Study report not obtained.	Education and awareness and branding campaigns undertaken, contributing to increase in number of complaints handled at OCP.
Expansion of network of OCP-funded advice offices.	Number and location of additional offices to be funded determined through structured engagement with	Advice offices funded and supported by OCP increased to number determined through M&E exercise and consultation with NGO sector.	Findings of M&E report, consultations with WCAOA as representative of NGO sector and own observations used to determine potential new community structures to fund. Preparations completed for funding of two such offices in 2008/2009 financial	Enhanced participation by WCAOA in lobbying for external funding for advice offices affiliated to them. Additional funding received by WCAOA from Norwegian



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Building capacity within the network of Advice Offices funded by the	Number of Advice Offices funded by the Department and number of complaints lodged and resolved at the Advice Offices.	Funding of 28 Advice Offices for services delivered, and optimal spread of additional offices to be funded determined through independent		
	Number of complaints handled by Advice Offices.	Procurement, installation and operationalisation of system of required	Procurement (and therefore installation and operationalisation) of system delayed to due SITA (National) blockage. SITA refusal to approve procurement withdrawn in March. 2006-7 Pilot at 1	Engagement with SITA (National) through Department of the Premier (e-Innovation) and SITA (WC) for procurement to be
	Reduction in turnaround time on complaints lodged at Advice Offices.		Training interventions resulted in reduction in turn-around times.	
	Number of Advice Office staff and Management Committee Members trained.	Training provided to all consumer complaints handling staff at Advice Offices and to Management Committee	Training programme completed for Advice Office staff and Management Committee Members.	
	Funding of the Provincial co-ordinating body for Advice Offices (Western Cape Advice Office	Funding arrangement finalised (tender / SLA / transfer payment), payments made and performance monitored. Report prepared on project implementation, recommendations made and mandate obtained from executive authority	First round of WCAOA funding completed. Reports on actual performance of WCAOA for 2007/2008 financial year obtained. Areas for improvements in performance identified and assistance provided to WCAOA. Recommendations on further funding in 2008/2009 to be made in 1 st quarter	
Affirming the Advice Offices as a trusted brand in their communities.	A Province-wide network of Advice Offices enjoying a high level of recognition in local communities.	Brand-building recommendations of consultant(s) implemented at 5 OCP-funded offices. Independent assessment, by way of survey, on impact of branding initiative	Consultants report not obtained. Internal assessment done and branding initiatives developed and implemented in accordance with own assessment outcomes. Branding boards designed, produced and installed at 17 Advice Offices.	
Monitoring and evaluating levels of service delivery, and implementing constant improvement	Effective Monitoring and Evaluation (M&E) system in place to measure and improve service delivery by OCP and Advice Offices, measured against external benchmark (international best	Implementing of accepted	Recommendations implemented. Additional internal assessment conducted. Internal monitoring and evaluation system implemented – regular site visits (scheduled and unannounced) and evaluation and verification of reports	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Identifying, devising and implementing appropriate and effective measures, to raise awareness of the existence of the OCP and the services offered by it and consumer rights in	Increasing awareness of OCP as a brand by 50% amongst population of Province.	At least three major brand awareness campaigns undertaken and research study completed on their effect and impact on OCP brand.	Three major awareness events held, including one major mainstream radio advertising campaign. In addition, a large number of routine community radio and workshop engagements finalised. Preparations concluded for large-scale print media and industrial theatre	
Procurement of additional funding for OCP-funded Advice Offices.	Funding equal to Department's commitment secured.	Envisaged commitment (equal to 50% of own funding) secured in writing.	Funding equal to 64.54% of OCP's direct 2008/2009 funding, secured for selected Advice Offices.	
Engage business community as partners in consumer protection and education.	Number of consumer protection and education projects executed jointly between CP unit and the business community.	First joint projects executed and reviewed for efficiency, impact and future progress.	No formal joint projects executed between OCP and business community, but first informal participation by private sector in OCP's World Consumer Rights Day (WCRD) activities in March.	Private sector participation in WCRD activities used as basis to initiate formal co-operation on joint projects in 2008/2009.
Sub-programme 4.3: Liquor Regulation				
Finalisation and promulgation of Provincial Liquor Legislation.	Fully enacted Provincial Liquor Legislation.	Legislation enacted, regulations thereto completed and issued by Minister, Western Cape Liquor Act implemented.		Legislation passed but not enacted. Draft regulations completed in anticipation of Legislation being assented to. Western Cape Liquor Act revised; revised Bill submitted to Parliament and published for further comment. Draft implementation plans compiled in preparation of
Restructuring of the Liquor Board in accordance with new Legislation and transition of Liquor Board, to public	Fully operational structure in accordance with the Legislation.	Restructuring of Board completed and all posts filled.	Restructuring of Liquor Board addressed in revised Bill. Envisaged new posts defined and to be job evaluated.	
		Liquor Board operational and administrative staff, SAPS designated liquor (DLOs) and municipal officials capacitated.	Existing Liquor Board staff familiarised with proposed Legislation. Information sessions held with some DLOs and SALGA.	
Improving efficiencies in the liquor licence application system.	Elimination of backlogs and reduction in turn-around time on applications.	Elimination of backlog of applications lodged, prior to 01 January 2007.	Backlog eliminated.	
		Waiting time for consideration of new applications, reduced to 90 days from date of receipt	Most applications enrolled for consideration within 90 days of receipt.	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
		Information management system refined and aligned with procedures in new Legislation.	Information management system refined and partially aligned with procedures in	Commenced process of enhancing Information management system for use as a Liquor Licensing System.
		Operationalisation of new liquor licensing system (either as an enhancement of information management system or as a stand-alone system).		Commenced enhancing Information management system for use as a Liquor Licensing System.
Development and implementation of an enforcement and compliance protocol for Inspectorate division of the Liquor Board.	Fully implemented, enforcement and compliance protocol.	Protocol completed and implementation commenced. At least 500 inspections conducted in terms of protocol.		Draft protocol compiled, final version to be compiled upon approval of new Liquor Legislation.
Support for projects aimed at ensuring that internationally acceptable labour and production standards are maintained for the export quality of wines.	Increase in export of quality wine as a result of an increase in the accreditation certification of SA wine based on compliance with labour and production standards.	WIETA SLA concluded and agreed projects w.r.t. accreditation identified. Other secondary projects identified and tenders placed and awarded for services to execute		Decision taken to allocate funding to Dopstop Association for alcohol awareness projects on farms, in terms of new Legislation.
Roll-out of mandatory training programme on responsible liquor trading.	Number of liquor licence holders trained.	Accredited training provided to at least 1000 licence holders and prospective licence	Informal (non-accredited) training done by FASfacts (with focus on FAS) and ARA. Formal training to be done in terms of training manual to be compiled (and accredited) in terms of	
Transformation of the liquor industry.	Increased number of retail outlets owned and managed by HDI owners, number of such outlets migrated into mainstream.	Further 20% increase in HDI ownership on base year and 10% provided with skills training for growth into mainstream outlets.		HDI outlets increased by approx 16%
Support for projects that raises awareness of FAS in targeted areas.	Increase spread of awareness projects. Number of learners and adults reached through awareness campaign.	Roll-out of FAS awareness projects with a target of reaching 3000 learners and 2000 adults directly through contact sessions and 250 000 people through mass	FAS awareness project executed by FASfacts – targets reached except with regard to	
		Independent evaluation.	Independent evaluation commenced in fourth quarter, report to be filed in first quarter of	
Support for responsible liquor consumption awareness project.	Support for responsible liquor consumption awareness project.	Awareness campaigns conducted in partnership with NGOs, industry and health and Social Development Departments.	Awareness campaigns conducted by Association for Responsible Use (ARA) and two information sessions in conjunction with Department of Community Safety.	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Training of law enforcement and justice officials for effective enforcement of new Provincial Liquor	All DLO's officials trained and compliance of inspection reports i.t.o. new Legislation.	All designated liquor officers (approx. 360) trained on application of new Liquor Legislation.	No training on new legislation (not promulgated).	Informal information sessions held on existing Legislation and proposed
		Impact assessment of training intervention (by independent agency).	Not done, in view of new Legislation not having been	



Programme 5: Tourism

Purpose

The purpose of Programme 5: Tourism is to ensure strategic planning and good governance for the tourism industry in the Western Cape.

Service delivery objectives and indicators

i Key deliverables

Africa receives just under 5% of global tourist arrivals, and in the past three years continental tourism growth is double that of the world average. Of the 40.9 million global tourist arrivals recorded in 2006, 26 million tourist arrivals came to sub-Saharan Africa, of which South Africa received 8.395 million. 2007 has been a slower tourism year, with all short term performance indicators pointing to a rather modest growth of approximately 1.5% and a total of 9 million international arrivals to South Africa.

The Western Cape achieved 10.9% growth in international arrivals between April and September 2006 compared to the same period in 2005. For 2006, the Western Cape received 1.74 million international visitors and 3.2 million domestic visitors, with a total direct spend of R19.8 billion.

The Western Cape achieved 5.75% growth in international arrivals in Q3 2007 from 374 637 in 2006 to 396 194 in 2007. There were 1.23 million international arrivals to the Western Cape between January and September 2007 representing 1.64% increase from the same period in 2006. Of the domestic visitors, most were from the Western Cape itself (44.4%), followed by Gauteng (33.2%), KwaZulu-Natal (5.9%), Eastern Cape (5.8%), the Free State (3.5%) and others.

In our plans to meet the national and provincial priorities of accelerated and shared growth for our Province, the following progress is reported on for the 2007/2008 identified key ministerial priorities:

a) The development of tourism sites, attractions, routes and infrastructure will be guided by a reworked version of the Integrated Tourism Development Framework (ITDF).

The Department finalised the Integrated Tourism Development Framework [ITDF] in February 2002. The ITDF is provincial policy with regard to the development of tourism sites, attractions, routes and infrastructure and emphasises a wider distribution of visitors throughout the Province.

During the 2007/2008 financial year, the ITDF review process included the establishment of a reference group consisting of key stakeholders representing the WCTD Partnership (and including all spheres of Government). The reference group provided key insights with regard to each of the six regions of the Province and included an evaluation of tourism products and future potential. The ITDF review process also provided a Strategic Document Review as well as a current State of the Province, with regard to tourism products and tourism markets. Currently the ITDF is in draft form and will be finalised with Stakeholder Engagements in each region, during 2008/2009 that will focus on the current state of tourism in the region as well as identifying potential tourism development and highlighting key blockages to tourism development.

b) The implementation of Tourism Human Resource Development which will include the implementation of bursary and skills development programmes.

The Tourism Programme has been actively involved in tourism training and development initiatives. In the 2006/2007 financial year an amount of R3.6 million was spent and 2 518 people benefitted from the training and development initiatives. In the 2007/2008 financial year an amount of R4.5 million was spent and 3 358 people benefitted from the initiatives.

c) The upscaling of the Tourism Enterprise Development programme, by implementing a tiered support strategy that addresses the needs of the full spectrum of entrepreneurs.

The Tourism Tiered Support System is an integrated strategic framework that provides entrepreneurial development services to emerging tourism enterprises at each stage of their development. The Tourism Tiered Support System comprises:

- The Tourism Business Management Programme (TBMP), which ensured that 857 emerging tourism



entrepreneurs benefitted. The TBMP included work-place based training.

- The Tourism Fast Track Programme (TFT) is a basic mentorship programme designed to complement the training provided in the TBMP (Intermediate level). 23 Entrepreneurs were assigned mentors.
- The Tourism Mentorship Programme (TMP) linked 12 advanced participants to mentors selected from the leading tourism private sector bodies in the Province. Organisations such as the Southern African Tourism Services Association (SATSA), the Federated Hospitality Association of South Africa (FEDHASA), the South African Association for the Conferencing Industry (SAACI) and Cape Town Tourism (CTT) provided mentors who were assigned mentees for the duration of the 6-8 month programme. This programme has gained national recognition and has been implemented in KwaZulu Natal and the Northern Cape.
- The Tourism Help Desk Programme (THDs) recruited and provided support to entrepreneurs. It also delivered on the Tourism Outreach Programmes (TOPS).

d) Ensuring the competitiveness of the Western Cape as a tourist destination.

Competitiveness of the destination includes Tourism Safety and Support, the Quality Assurance assessor programme, as well as ensuring the quality of the visitor experience at iconic tourism attractions.

With regard to **Tourism Safety and Support**, the safety of visitors to our destination is of paramount importance to the effective functioning and future growth of the tourism industry in the Western Cape. The Department took the lead in the tourism industry by developing a clear strategy and integrated management plan for an effective Tourism Safety and Support Programme. This strategy is based on the National Safety and Security plan arising out of the ASGISA objectives, which had identified negative perceptions surrounding crime and safety in South Africa as a major contributor to retarded growth of the tourism industry. The Western Cape plan includes risk assessment, proactive and reactive measures, and a practical communications system that is adapted to any crisis situation to counter negative perceptions. The continued maintenance of the 24/7/365 Tourism Safety and Support Programme,

which is a key component of this strategy, responded to 76 incidents in the 2007/2008 financial year.

With regard to the monitoring and evaluation of iconic tourism attractions, the **Outeniqua Choo Tjoe** remains a key priority in terms of its future. The Department has undertaken to facilitate all processes and discussions with key role-players in relation to a way forward. This position is in light of the tourism potential of the region and the role of the Outeniqua Choo Tjoe as a provincial tourism icon. The Department is currently appointing a Service Provider to develop a sound business case for the Outeniqua Choo Tjoe as a future tourism product. The Department is sensitive to the iconic attractions in the Province, including Robben Island Museum and the Cango Caves; which, while national competencies fall within our geographic region. The Department, therefore plays a key oversight role to ensure a positive tourism experience.

e) Refining the role of Cape Town Routes Unlimited (CTRU) as a provincial destination-marketing organisation, and producing a 2010 Tourism Accelerated Development Plan.

In refining the role of CTRU, the Minister's five-point plan requested the Board to respond to the going concern of CTRU as a matter of urgency. In this respect, the Board developed a business plan and funding model, which assumed that the City of Cape Town would no longer be a funding partner for the 2008/2009 financial year. The Board and Management have addressed corporate governance issues and implemented remedial action. The Organisation has been strategically and operationally re-designed within a core budget and structure to focus on marketing the tourism destination.

Progress on the 2010 Tourism Accelerated Development Plan:

- CTRU led a delegation of 60 representatives to the three-day annual international soccer exhibition, SOCCEREX, held at the Sandton Convention Centre in Gauteng from 26 to 28 November 2007. The aim was to sell the destination as a soccer loving and world-cup-ready-province. Other activities included media briefings on Cape Town's state of readiness and



- 2010 Tourism Host Campaign, which relates to Guest Relations activities in partnership with CTRU, WESGRO and the Cape Film Commission to jointly host international tourism operators, media and other tourism stakeholders prior to and during the 2010 World Cup.
- 2010 Tourism Extended Stay Campaign, which forms part of the 2010 destination marketing strategy and focuses on stimulating travel to the destination before, during and after the 2010 World Cup.
- 2010 Tourism Community Mobilisation, which involves the conducting of tourism community outreach workshops within the 6 regions of the Province.
- Other activities included: developing the web-site; organising accommodation service provider workshops; marketing and promotional activities at the 90-minutes for Madiba soccer match; representing the destination at the 2010 Host Cities Exhibition during the 2010 preliminary draw in Durban; and promoting the destination to soccer loving markets.

These ministerial priority interventions were implemented by the Western Cape Tourism Development Partnership and the Western Cape Tourism Development Framework.

The WCTD Partnership:

- Is the formally constituted cooperative governance body, as derived from the Western Cape's Provincial Development Council's (PDC) tourism task team.
- Acts collectively to develop the detailed policies, strategies and interventions for tourism.
- Ensures that the partners act in an aligned manner to achieve cost effective use of our collective resources.
- Meets on a quarterly basis, per each of the Delegations (being Government, Business, Labour and Civil Society), leading up to a quarterly plenary session of the whole WCTD Partnership, chaired by the Minister.
- Has sub-committees that are made up of nominated representatives from each Delegation that meet at least twice within a quarter to deal with specific agenda items.

During the 2007/2008 financial year, the Western Cape Tourism Development Partnership comprising Delegations from Government, Business, Labour and Civil Society was successfully established – this is a first

for South Africa. Delegation leaders chaired quarterly Delegation meetings and there was full participation from the Partnership in the quarterly plenary sessions which were held. The Tourism 2010, Tourism Growth, Tourism HRD and Participation in Tourism Sub-committees were established, where monthly meetings were held to drive the implementation of key projects.

The WCTD Framework:

The WCTD Framework is the destination vision and strategy for tourism in the Western Cape, and is the sector strategy for tourism that forms part of the Department's Micro-economic Development Strategy (MEDS). The WCTD Framework ensures joint planning, budgeting and implementation, firstly, between the three spheres of Government, and, secondly, between all the social partners. The WCTD Framework has defined targets and outcomes that need to be achieved over a ten-year time-frame. It is a living and dynamic document, with research constantly being added to the evidence base and analysis being adjusted as circumstances change. There will be a major review on a five-year basis. During the 2007/2008 financial year, the WCTD Framework was updated through a consultative process with the WCTD Partnership. The annual updated WCTD Framework was finalised and agreed upon by the WCTD Partnership in March 2008.

ii Major outputs for the financial year under review.

Within the **Tourism Growth Sub-programme**, the **Tourism Planning Unit** assisted in updating the WCTD Framework, establishing and maintaining the WCTD Partnership and its secretariat support function, as well as developing the 2010 Tourism Community Mobilisation project.

In the context of environmental scanning and understanding the global, continental and regional (SADC) mandates, the Unit coordinated research in the **Climate Change Study** and its impacts on Tourism. The Western Cape is most vulnerable to climate change, which would have resultant negative impact on the poor. Climate change is a threat to growth and development. This threat and its potential impact must be understood with regard to the tourism sector in the Western Cape.



Key recommendations arising from the Climate Change Study are seeking international funding support for projects specific to local and national tourism sector product development in light of Climate Change, and developing tourism community educational programmes and tourist-centric marketing campaigns.

The Unit has developed an internal position paper on **China/Shandong Province and South Africa/the Western Cape** and facilitated exchange visits between the two Provinces. In October 2007, the Provincial Government of the Western Cape led an official delegation to the Republic of China. Various meetings and matchmaking sessions were held in Jinan, Jining and Qingdao. Some of the main discussion outcomes were: issues of air access constraints to be further investigated; establishing a relationship between educational institutions from each side for a "Tourism Train the Trainer" programme; setting up an exchange between tourism students within the relevant institutions in the Western Cape and Shandong Province; and setting up exchanges between tourism students in the Shandong Province and the Western Cape via the Internet to encourage tourism learnings. On the 25th and 26th March 2008, the tourism counterparts from the Shandong Provincial Government conducted a familiarisation tour to the Western Cape. There was commitment in principle to participate in skills exchange programmes between the two Provinces, as well as a proposal to send students from the Western Cape to the Beijing Olympics Seminar. These commitments will be implemented in the 2008/2009 financial year.

The **Tourism Growth Unit** assisted with the **ITDF** (Integrated Tourism Development Framework) review process, as well as implementation of the following projects in the Tourism Development Areas which form part of the ITDF: the Eastern Gateway; development at the southern most tip in Agulhas; Sport Memory Exhibition as part of the Cape Flats Tourism Development Area; Route 62 – specific upgrades in terms of tourism related infrastructure; and tourism related infrastructure in the West Coast Tourism Development Area.

The **Western Cape Tourism Investment Framework** is being developed in partnership with WESGRO, with the key objective of developing a draft portfolio of tourism investment opportunities that could be marketed to both national and international investors.

The portfolio is in draft form and seeks to address: the scale of tourism investment opportunities sought and the rationale behind where emphasis will be placed; who should the portfolio be marketed to; what should be included in the portfolio; how should the portfolio be compiled and marketed; and the potential budget and responsible parties for implementation.

Air Access remains a constraint and as part of **Cape 365**, the Department will continue to seek an increase in the number of direct international flights to Cape Town in order to promote growth in the tourism industry. A departmental Air Access Task Team has been established and comprises a partnership between the Department, WESGRO, CTRU, The City of Cape Town, ACSA, SATSA, FEDHASA and ACT. The departmental Air Access Task Team meets for the purposes of brainstorming and providing suggestions to help business/ trade/ corporates and tourism. The permanent Tourism Growth sub-committee of the WCTD Partnership plays a key role in participating in this initiative. Key objectives include discussions with airlines; dealing with all the consequential infrastructure requirements and marketing support needed to make these possible; and engaging with national counterparts.

As part of **Cape 365**, the fifth annual **2007, Access the Destination Workshop (ADW)** was held on the 3rd and 4th September 2007 in partnership with the Department, CTRU, ACSA, the City of Cape Town, Cape Town Tourism, FEDHASA Cape and SATSA. The ADW focused on access-related issues, Cape 365 (dealing with seasonal spread) and the Western Cape's state of preparedness critical to 2010 World Cup Tourism success.



Within the **Tourism Competitiveness Unit, Tourism Safety and Support** continues to respond to incidents involving Tourists in Distress. Annual figures reflect a decrease from 84 to 76 in the number of recorded tourist related incidents for 2007/2008. The incidents mainly involved assault and robbery. Proactive measures included the distribution of safety tips, safety cards, stakeholder leaflets, media/publication inserts and networking with key role players like SAPS,

consulates and the hospitality industry on a continuous basis. During 2007/2008, the Tourism Safety and Support Programme, in its 4th year of implementation, employed one Provincial representative, three regional representatives in the Cape Metropole, Overberg and Eden, as well as two local representatives in Route 62 and Central Karoo. Further roll-out in terms of regional and local representation will be made in the 2008/2009

Tourism Safety and Support Programme: A place of hope during times of distress

VISITOR INFORMATION CENTRES

Cape Town	021 487 6800
Cape Winelands	021 888 5102
Cape Overberg	028 214 1456
Cape Garden Route	044 873 6314
Cape Karoo	023 449 1000
Cape West Coast	022 433 8505
Weather Hotline	082 162
National Tourism Information	083 123 2345



For further information visit www.tourismcapetown.co.za

EMERGENCY NUMBERS

Police (SAPS) Emergency Number	10111
Mobile Phone Emergency Number	112
Ambulance	10177
All Emergency Number	107
All Emergency Landline Number	021 480 7700
Wilderness Search & Rescue	021 948 9900



Brought to you in the interest of Tourism Safety & Security

Contact numbers for the Tourism Safety and Support Programme

The Tourism Safety and Support Programme provides assistance to visitors who may be in distress during their stay in the Western Cape. We aim to assist them in their time of need and show them that we care.

The nature of the work of the Tourism Safety and Support Programme is best illustrated through the following story:

An American family was travelling to the Garden Route on the N2, when an accident occurred outside of Caledon. Mr Brattin passed away at the scene of the accident and his wife was transported to Vergelegen Medi Clinic in Somerset West. The Southern Cape, Overberg and Cape Metropole representatives from the Tourism Safety and Support Programme assisted the family. The family sent a thank you upon their return home which read, "Our family could not have survived without the assistance of the TSSP. Whether it was organising places to stay, a grief counsellor or a myriad of other details you and the rest of the team were always there to help. We bragged about the help and services you provided.....Having gone through this, I believe that this level of support to foreign travellers in emergency situations is essential."



In terms of implementing the **Tourism Road Signage Framework** for the Western Cape, 22 Regional Tourism Liaison Committee (RTLCL) meetings were held under the auspices of the Department in all six regions. In 2007, an amount of 162 Road Signs were approved. Tourism Road Signage Training sessions for tourism bureaus and municipal officials were held in the Cape Winelands and Central Karoo with 60 participants attending the training.

The Department, in partnership with CTRU and the Tourism Grading Council of South Africa, developed a **Quality Assurance Programme** for tourism products throughout the Western Cape. This Programme specifies minimum requirements for four categories of tourism products, namely: accommodation; conference venues; tour operators; and restaurants. CTRU, as the implementing agent, conducted minimum requirement inspections to qualify tourism products for membership of their specific local tourism organisation. The programme is also seen as a preparatory grading process of tourism products leading into the grading process of the Tourism Grading Council of South Africa. A total number of 535 tourism products were assessed during the 2007/2008 financial year.

Within the **Tourism Skills Development Unit** and through the work of the **Tourism HRD Sub-committee of the WCTD Partnership**, the following have been completed:

- Refined Tourism HRD Strategy in consultation with stakeholders.
- Tourism Skills Development Implementation Plan: 5 skills training programmes were implemented, with a total of 92 beneficiaries as follows:
 - ∅ HDI Golf Caddie service excellence programme, where 15 Golf Caddies received training in service excellence and tourism awareness in the Garden Route. The training provided a platform for improved communication between golf caddies and golf tourists to ensure longer stays and pleasant experiences for tourists.
 - ∅ George Meter Taxi Project, where 30 Meter Taxi Operators at the George Airport received customer service excellence and tourism awareness training.
 - ∅ Universal Accessibility for Local Tourism Bureaus (LTBs), where 30 Tourism Information Officers

in the Garden Route & Karoo received training in understanding and working with disabled tourists.

- ∅ UWC HDI Management Fast Track Programme for the training of 12 HDI staff who received extensive management training that included practical application of skills and learnings.
- ∅ Rural Tourism Community Awareness project, where a workshop was conducted for 5 beneficiaries from the Central Karoo with regard to various opportunities available in the tourism industry.
- The Cape Peninsula University of Technology Bursary Programme, where 13 beneficiaries benefitted from full-time bursaries to further their tertiary education in tourism.
- The South Cape College Bursary Programme, where 13 beneficiaries benefitted from the tourism bursary fund which supports students from rural communities.
- The Breedekloof Bursary Fund (in partnership with the Department, Cape Winelands Municipality and the University of Stellenbosch) where 4 beneficiaries from previously disadvantaged communities were able to study wine and wine tourism.
- Development, publication and distribution of the 2010 plus Careers in Tourism brochure.

Within the **Tourism Participation Sub-programme**, the **Tourism Participation Unit** successfully implemented the Tourism Tiered Support System comprising of the Tourism Business Management Programme, the Tourism Fast Track Programme, the Tourism Mentorship Programme, and the Tourism Help Desk Programme for its fifth successful year. The Tourism Tiered Support System assisted 892 entrepreneurs in all six regions of the Western Cape, as follows:

- Implementation of the Tourism Business Management Programme (24 Awareness sessions with 404 beneficiaries; 14 Beginners sessions with 288 beneficiaries; 56 Intermediate sessions with 133 beneficiaries; and 8 Advanced sessions with 32 beneficiaries).
- Implementation of the Fast Track Programme with 23 beneficiaries.
- Implementation of the Tourism Mentorship Programme with 12 beneficiaries.



In addition, the Tourism Help Desk Programme conducted 181 TOPS (Tourism Outreach Programmes), where approximately 1 817 community members attended the tourism awareness sessions. This has spread the understanding of tourism and how communities can be involved in the tourism industry throughout the Province.

The **Tourism Fair Business Environment Unit** continues to implement training and development programmes for historically disadvantaged individuals to enable them to become tourist guides and to ensure that they participate meaningfully in the tourism industry. Workshops and upskilling programmes were also implemented for currently registered tourist guides. A total of 175 beneficiaries participated in tourist guide training and development.

The **Provincial Tourist Guide Registrar**, responsible for keeping an accurate and accessible register of qualified tourist guides in accordance with Legislation, recorded a total of 835 new registrations and 1 750 re-registrations for the 2007/2008 financial year. The total number of black registered tourist guides is 941

out of the 2 585 tourist guides registered in the Western Cape at end 31 March 2008.

The **Tourism Social and Environment Issues Unit** focused on:

- Access to the Cape, which exposed citizens of the Western Cape to tourist attractions in their own region. In the 2007/2008 financial year, 226 beneficiaries from the provincial 21 priority areas participated in the Access to the Cape programme.
- The Tourism Youth Seminars serve as awareness workshops to make unemployed young people aware of the opportunities available in the tourism sector. 60 participants benefitted from the workshop held in the 2007/2008 financial year.
- The Tourism Schools' Competition targets Grade 11 learners, in creating tourism awareness and encouraging learners to consider a career in tourism. Learners from high schools in the Western Cape that have tourism as a subject may enter the competition. The competition has categories for essay writing and visual work and includes a roving exhibition.
- The 2007 Provincial Tourism Awards' Ceremony which recognised individuals who embody

Senior Citizens Stranded and Rescued

A 94.5 KFM broadcast on 24 October 2007 at 07h00 reported the following: "Pensioner tourists fleeced - a group of Gauteng pensioners say they've been done in by their tour guide in Cape Town, who has made off with their money." The 170 senior citizens, between the ages of 60 and 90, paid R1 200 each for the trip to the Mother City, which would have included a tour to Robben Island Museum.

62 year-old Elizabeth Ntuane, from Naledi in Soweto, says they arrived in the City on Sunday and asked security guards at the station to help them find accommodation when their tour guide disappeared. The call of distress was heard by Minister Lynne Brown. The Registrar of Tourist Guides, Ms. Noxolo Ntenetya, was immediately asked to assist the senior citizens.

Firstly, it was determined that it was not a tourist guide who made off with their cash; they were conned into believing that they could come to the Cape for a holiday that had been booked and paid for. All 170 citizens were left stranded at Monwabisi Beach Resort, with no blankets or food. The individual that involved them was a gentleman that they knew from Johannesburg.

The Department of Economic Development and Tourism utilised resources, with the help and assistance of sponsors, to ensure that the senior citizens had the holiday they desired. Springbok Atlas, Pick 'n Pay, The V & A Waterfront Management, KFC Waterfront, Cape Point, Cape Town Routes Unlimited, Thebe Tourism/Waterfront Boat Company and a couple from Gordon's Bay sponsored a Robben Island trip - these were to name but a few of the sponsors who came onboard selflessly and generously donated toward this worthy cause. This was a memorable occasion which truly showed that we all work in partnership in our beautiful Province.



Some of the **Destination Marketing Organisation (DMO) (t/a Cape Town Routes Unlimited) Sub-programme's** major outputs during the past financial year include:

Developing a strong research capacity by providing tourism industry partners with marketing intelligence and information. Some highlights were:

- The University's Research Consortium visitor tracking results indicate that the propensity for second time visitors to venture beyond Cape Town is as high as 60%, while on average 34% of all visitors venture beyond the City.
- A June 2007 AC Nielsen national brand evaluation study found the Cape Town and Western Cape brand to be the strongest amongst

its national competitors.

- The production and dissemination of a quarterly tourism barometer to supply all operators and partners within the Western Cape's tourism structure with international and domestic tourism statistics (at a glance) and a trend analysis.

Highlights in terms of Integrated Marketing Services were:

- Secured 10 international bids with a monetary value of R239,494,500.00, with attending delegates spending an average of R2, 400.00 per day.
- Marketed and promoted the destination at 6 International Trade Shows and 3 International Road Shows. Engagements resulted in 15 JMAs, one of which is 3 Joint Marketing Initiatives for UK, US and Germany markets from the WTM

Residents at Nazareth House experience the Cape's Beauty



Life changing: The senior citizens from the Nazareth Old Aged Home in Elsies River visited the Overberg Region. Sister Helen of Nazareth House expressed her gratitude to the Department for providing these elderly people with an outing of a lifetime.

Minister for Finance and Tourism, Lynne Brown, launched Access to the Cape on 25 September 2007. One of its purposes was to provide marginalised communities an opportunity to explore the treasures of the Western Cape. Such a community was Nazareth House Home for the Aged in Elsies River. It is a state-funded home for the aged where staff members and volunteers have been caring for the needy senior citizens for over 120 years, ensuring that they can live out their days in comfort.

The Department provided Nazareth House with an opportunity to explore the Western Cape, when they travelled to the Overberg Region on 17 October 2007.

Organisations such as Nazareth House were chosen from the province's 21 priority areas for the Access to the Cape initiative. Certain Groups who may not have had previous opportunities to explore the beauty of the Western Cape were selected. Most residents at Nazareth House Home for the Aged come from poorer socio-economic backgrounds, and trips such as this one might not have been possible before.

Access to the Cape beneficiaries were Vuluhambi (people with disabilities), Phillipi Educare Forum (women working in the educare sector), Vredenburg District Municipality (rural women) and Crystal High School (youth group).



- Facilitated Guest Relations: of 68 international journalists assisted in 2007, media coverage of Cape Town and the Western Cape included: Printemps Voyage (France) travel guide magazine (quarterly circulation of 50 000 copies); the Australian Herald Sun (daily circulation of 554 000 reaching 1.5 million readers) and the British Airways High Life magazine (monthly circulation of 240 000 reaching 2 million readers).
- Supported Events: the Cape Town and Western Cape brand was exposed to an audience of approximately 300 000 people at 24 events in the City and Regions. Four events (Jazz Festival, Vodacom Funny Festival, Two Oceans Marathon and the Cape Town Fashion Week) alone generated an estimated economic and media impact of R150 million to the City and Province.

Highlights in terms of Marketing Support were:

- Supported Nyoni's Kraal Restaurant, who was the 2007 Emerging Tourism Entrepreneur of Year (ETAYA) winner. This was the first time in the history of the competition that a Western Cape product had won this prestigious award.

- Facilitated the participation of 44 SMMEs at domestic shows and 17 SMMEs at international shows.
- Exposed 150 emerging entrepreneurs to exhibition training, business tourism workshops, marketing and 2010 workshops.
- Accredited 27 local tourism offices.

iii Major success stories for the financial year under review

The Western Cape Tourism Development Partnership

The WCTD Partnership was established in the 2007/2008 financial year. Quarterly Government, Business, Civil Society and Labour Delegation meetings, as well as Plenary meetings were held.

The Tourism 2010, Tourism Growth, Tourism HRD and Participation in Tourism Sub-committees were established with monthly meetings held and projects being driven within each Sub-committee.

Tourism Tiered Support System certification ceremony



Equipping entrepreneurs with skills: Tourism mentors and mentees appreciated the way they were valued for their contribution toward tourism development.

The Department held its Tourism Tiered Support System's certification ceremony, where 223 certificates were handed over to entrepreneurs in the Tourism Industry. The recipients included 124 women, 7 entrepreneurs with disabilities and 213 black entrepreneurs. They all successfully completed the training, development and Mentorship initiative provided by the Tourism Tiered Support system.

Some of the entrepreneur included the Paternoster Lodge, Nyoni's Kraal, African Kaleidoscope, Muzo Productions and Nthuseng Tours. They completed the advanced training, which includes Marketing, Finance, HR and Business Management. This training equips an entrepreneur with the skills to grow his/her business exponentially.



The plenary session held in the fourth quarter included a panel discussion led by the MEC and the leaders of each of the Delegations. Each of the social partners were asked to provide 2/3 high level areas/blockages/constraints which required serious attention in the tourism industry. The following issues were tabled:

From Business:

- With regard to Air Access, there is a need for serious interventions to increase the number of flights landing at Cape Town International Airport.
- The Department of Home Affairs to be engaged, as inefficiency has negative impacts on the tourism industry.
- With regard to Community Tourism, there is

a need to stimulate organic growth via the community.

From Labour:

- Currently the spend on product development versus the spend on destination marketing is disproportionate.
- Product development and transformation are not coming up to speed fast enough.

From Civil Society:

- Tourism development should be integrated with tourism marketing. Also, tourism development projects in rural areas are isolated due to poor or no marketing.
- Awareness Programmes are not linked to tourism products.
- Training must be tied to business opportunities and there is a need to encourage partnerships.

Nyoni's Kraal-ETEYA's 2007 winner



Capitalising on opportunity: Alfred Diphatsi (TEP); Brendon Roberts (CTRU Board Member); George Uriesi (CTRU Board Chair); Colin Nyoni (ETEYA winner); Ms Lynne Brown, Minister Finance and Tourism, Stewart Lumka (ABSA); Sue Birc (CTRU Board Member); Mansoor Mohammed (CTRU Board Member).

Now in its seventh year, ETEYA has developed into a tough contest, with a high standard of enterprises in the running. It is operated with the support of SA Tourism, in partnership with the sponsor, ABSA Bank, as well as the National Department of Environmental Affairs and Tourism (DEAT), the SA Tourism Services Association (SATSA), Cape Town Routes Unlimited (CTRU), the Tourism Enterprise Programme (TEP) and the Tourism Grading Council of SA (TGCSA).

Colin Nyoni, recent winner of the 2007 ETEYA (Emerging Tourism Entrepreneur of the Year Award), was the first Western Cape winner. This was announced at the World Travel Market in London.

Lynne Brown, the Western Cape's Minister of Finance and Tourism and guest speaker at the dinner, said, "People like Colin Nyoni have shown us exactly how the wonderful celebration of life in the Western Cape can be an inspiration and example to all. It's up to us to make sure we capitalise on the opportunity."



Eastern Gateway – Summer Festival Campaign

A temporary N2 Eastern Gateway office was officially opened on the 28th of November 2008, as part of the Gateway strategy for the Western Cape. The location of the office was at the Total Petroport, in Tsitsikamma. The office was managed by CTRU and 5 staff were employed from the local community of Tsitsikamma. Regional Tourism Offices were also offered an opportunity to showcase their regions within this Gateway office. The Eastern Gateway Information Office handled 4 710 visitor enquiries for the period 28th of November 2007 until January 2008. Visitor information requests ranged from accommodation, attractions, events and restaurants to local information on the Western Cape and Eastern Cape.

2007 Provincial Tourism Awards' Ceremony



Recognising Success: (from left) Tronel Berg, Knysna Tourism representatives, Shereen Misbach Habib, Minister Lynne Brown, Melshaw Wyngaard and Marian Mercuur.

"The Western Cape's famed natural beauty brings visitors here, but memorable experiences provided by a professional and motivated tourism sector, is what brings them back." So says Western Cape Finance and Tourism Minister Lynne Brown, who launched the Annual Western Cape Provincial Tourism Awards' at a gala ceremony on Wednesday, 12 March 2008.

This, the first awards' ceremony, will become an annual event in the tourism sector to recognise individuals who embody service excellence. Together with the Department and CTRU, its objectives are to award tourism service providers who excel in their service and make extraordinary contributions to the development of the Western Cape's tourism industry.

"For our region to take its rightful place as a

favoured global destination we must support forums for dialogue, enable legislation, implement capacity-building programmes and so on. It is also important that we nurture and recognise the zeal and elbow grease of those working in tourism" says Brown.

Minister Brown handed over awards in the following five categories:

1. The Tourism Information Office of the Year:
Knysna Tourism
2. The Tourist Guide of the Year:
Ms Shereen Misbach Habib
3. The Tourism Student of the Year:
Ms Tronel Berg
4. The Tourism Helpdesk of the Year:
Ms Marian Mercuur
5. MEC Award for Service Excellence:
Mr Melshaw Wyngaard

International Tourist Guides' Day

On Thursday, 21 February 2008, South Africa joined the rest of the world in celebrating International Tourist Guides' Day. The Department of Environmental Affairs and Tourism announced the theme for this year's celebration as "Celebrating Tourist Guides' Professionalism in South Africa".

The Department hosted a dinner at the Ashmead Resort, Knysna for tourist guides in the Garden Route. The evening included acknowledging tourist guides' who completed their training as cultural site guides.

As part of the celebrations for International Tourist Guides' Day 2008, the Department arranged a tour for a group of historically disadvantaged women from Knysna. They visited the Cango Caves and the Ostrich Ranch in Oudtshoorn. The women found it enriching as they live in the region and have not experienced its wonders first hand. They were all invited to join the tourist guides and guests for an evening dinner at Ashmead Resort.

The Department also arranged for a group of 20 senior citizens from the West Coast and 25 women from the Saartjie Baartman Centre for Abused Women to participate in a guided tour of the Cape Peninsula. This tour proved that we can be tourists in our own Province, as many of the individuals visited some of these sites for the first time in their lives.



Department of Economic Development & Tourism partners with Cape Nature for Training of Guides

Sixteen guides from four Cape Nature Boland reserves were trained as FGASA field guides. The training forms the FGASA Level One self-study syllabus with hands-on mentorship.

The training included teambuilding exercises, abseiling, cultural visits and attending a First Aid course. The last eight months of the course focused on advanced knowledge and interpretation skills demanded of a guide who willingly takes responsibility for safely guiding clients on nature walks.

Classes are discussions rather than lectures with students committed to self-study and research. The teams from each reserve researched methods to enhance their tourism products. These recommendations formed part of a formal presentation to a select gathering of 100 FGASA and other professionals in December. Training also included working in local tourism bureaux and with tour operators.

Tourist Guide Ambassadorial Project

Tourist guides and service providers in the tourism industry are often the first point of contact for tourists entering the Western Cape and they play a pivotal role in influencing perceptions of the Province. This was the drive behind the initiative by WESGRO and the Department to equip tourist guides with knowledge that may assist with promoting the business potential of the Western Cape.

The workshops focused on the socio-political and economic climate of the Western Cape and highlighted sectors with high growth potential. Guides' were coached on how to positively influence tourists' perceptions on issues such as crime, BEE and HIV. Feedback from the participating tourist guides was positive, stating that having such economic and statistical information at one's fingertips made it easier to promote the Western Cape as a competitive business destination. Two workshops were hosted in the Cape Metropole, the West Coast and Eden. A total of 55 tourist guides' participated in this initiative.

iv Major Challenges experienced in the financial year under review

Most of the strategic frameworks that are developed in the Department are implemented at local level. Capacity and other problems encountered at Municipal level may impede implementation. Some problems experienced are the funding of some Regional Tourism Organisations, as well as Local Tourism Organisations; and the funding of tourism related infrastructure in the Tourism Development Areas. A further dimension is the role of National Government especially in light of funding needed and the implications of national legislative mandates. The Department manages these challenges on a case by case basis and by participating in national platforms such as the Tourism Ministerial and Technical Committees, as well as engagement with SALGA and the Municipalities.

CTRU experienced key challenges in light of the City of Cape Town's notice to withdraw funding beyond June 2008. This resulted in the reorganising of the organisation's core structure and budget, as well as the management of negative stakeholder perceptions. As part of the refinement process, a solid foundation for good corporate governance was established. The organisation also appointed a permanent CEO in March 2008.

The Tourism Programme experienced staffing constraints in the 2007/2008 financial year. Two Senior Managers were appointed in June 2007 and the third Senior Manager was appointed in September 2007. In addition, two Deputy Directors were appointed during the period under review. The job evaluation processes of the Assistant Directors and Administrative Officers were completed in March 2008 and the filling of vacancies will be prioritised in the first half of 2008/2009.



Service delivery achievement

Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.2: Tourism Growth				
Ensure good governance by the DMO.	Management of Service Level Agreement of Destination Marketing Organisation. Annual review and	Management of Service Level Agreement of Destination Marketing Organisation. Annual review	<p>The Department has implemented structured monitoring and evaluation on a quarterly basis. Thorough assessments of the 4 quarterly reports presented by CTRU were conducted in order to process the quarterly tranche payments.</p> <p>The 2008/2009 CTRU Business Plan was workshopped extensively between CTRU and the Department to ensure that the objectives set by CTRU were aligned to the objectives required by the Department with regard to tourism</p>	
2010 Tourism Accelerated	Development of the 2010 Tourism Accelerated Development Plan.	Research the potential impact of 2010 on Cape Town and the Western Cape via the MEDS Research Process.	<p>Participated in various 2010 Workstreams in partnership with the Department of the Premier, CTRU and the City of Cape Town.</p> <p>Updated the tourism component of the 2010 Economic Development and Tourism Business Plan.</p> <p>Completed an internal position paper on the impact of 2010 on the tourism industry in the Western Cape and participated in the MEDS 2010 Kaiser report research process.</p> <p>Established the Tourism 2010 Growth Sub-committee of the WCTD Partnership and developed the Tourism Community Mobilisation project.</p> <p>Supported and</p>	
Implementation and maintenance of a Western Cape Tourism Development Partnership via the PDC process (incorporating Government; Labour, Civil Society; Business &	The establishment of Western Cape Tourism Development Partnership.	Co-ordinate and facilitate partnership meetings.	<p>Establishment and maintenance of the WCTD Partnership. Quarterly Government, Business, Civil Society and Labour Delegation meetings, as well as Plenary meetings were held.</p> <p>Establishment and maintenance of 4 Tourism</p>	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.2: Tourism Growth				
Providing a secretariat function to the Western Cape Tourism Development Partnership Forum via the PDC process (incorporating Government; Labour, Civil Society; Business &	Facilitate and co-ordinate partnership meetings.	Conduct and facilitate partnership quarterly meetings. Ensure that meeting outcomes are communicated to all provincial stakeholders.	<p>Quarterly Delegation meetings and Plenary meetings were held.</p> <p>Tourism 2010, Tourism Growth, Tourism HRD and Participation in Tourism</p> <p>Sub-committees were established with monthly meetings being held and projects being driven</p> <p>Full secretariat support function was provided to all meetings.</p> <p>Minutes and main decisions made at delegation, sub-committee and plenary meetings communicated to stakeholders.</p>	
Updated Western Cape Tourism Development Framework.	Establish the Development Framework that is completely aligned to Provincial and National imperatives.	Prioritise & implement Development Framework recommendations.	<p>The WCTD Framework was updated through a consultative process with the Partnership. It is fully aligned to provincial and national imperatives. The annual updated WCTD Framework was finalised and agreed upon by the WCTD Partnership in March 2008.</p> <p>The following projects were implemented in the sub-committees:</p> <p>Growth Sub-committee project: Cape 365; 2010 Sub-committee project: Community mobilisation from a tourism perspective; HRD Sub-committee project: Golf caddie training and 2010 Career Guide as part of outreach programmes; and Participation</p>	
ITDF review process as part of the Western Cape Tourism Development Framework.	Reviewed and redefined ITDF.	Communicate and implement ITDF recommendations.	<p>Appointed Service Provider for the review process. Two reference session consultations with key persons in the local municipalities and tourism industry were held. Also monthly reference group meetings were held.</p> <p>A draft ITDF was finalised in February 2008. Please refer to "Implementing ITDF projects in key Tourism Development Areas "</p>	<p>Stakeholder Engagements to be held in 2008/2009.</p> <p>ITDF to be finalised</p>



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.2: Tourism Growth				
Conducting tourism research via the MEDS research process.	No. of topics researched.	Publication, communication and evaluation of research with	Participated in the MEDS 2010 Kaiser research relating to 2010. Co-ordinated tourism research agenda developed as a key deliverable of the WCTD Partnership, which will feed into the	
Develop & implement M&E at Chief Directorate level (aligned to the Department's Planning, Monitoring and Evaluation	No. of Tourism programs Monitored and evaluated.	Implementation of monitoring and evaluation	Not met.	Finalise Framework for Monitoring and Evaluation as part of the Department's M&E Framework. Tourism staff attended M&E
Environmental Scan: understanding the global, continental and regional (SADC) mandates.	Establishment of a research document.	Development of a document that highlights international and regional	Research on Climate Change Study completed which highlights best practice in terms of climate change and sustainable development as it Position paper developed on tourism relations between China/Shandong Province and the South Africa/Western Cape. Position paper developed on a DMO business model. Position paper developed on Tourism as a vehicle for provincial equity	
Environmental Scan: understanding the national/provincial and local mandates – Resource Document.	A resource document that aligns National, Provincial and Local Government mandates.	Ensure alignment of projects and programmes to National, Provincial and Local Government	Updated Tourism Resource document that aligns National, Provincial and Local Government mandates.	
Sector watch: identify industry specific issues; and identify constraints/blockages and propose interventions.	Action plan that addresses blockages and constraints.	Development and implementation of an action plan.	The updated WCTD Framework identifies the following key blockages/constraints: <ul style="list-style-type: none"> • Seasonal Spread (to be addressed in the Cape 365 task team). • Regional Spread (to be addressed by the ITDF). • Air Access (to be addressed by the Departmental Air Access Task Team). • Climate Change (implementation of key recommendations as arising from the Climate Change Study). 	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.2: Tourism Growth				
			In addition, an action list of key obstacles experienced by the tourism industry emanating from each of the Delegations of the WCTD Partnership was developed.	
Information sharing to all stakeholders regarding public sector initiatives.	Development and implementation of a communication plan to all tourism role players and	A communication plan development and roll-out.	<p>Information sharing regarding tourism public sector initiatives takes place through the WCTD Partnership.</p> <p>A publication was finalised, which included the updated WCTD Framework, the institutional arrangements of the WCTD Partnership, the work of the Tourism Chief Directorate and the work of CTRU.</p> <p>Publications of the Tourism Safety Tips; the Tourism Tiered Support System; the Careers in Tourism brochure; the Tourist Guide quarterly newsletters; How to become a tourist guide; and Illegal Tourist Guiding are widely distributed</p>	
<p>Implementing ITDF projects in key Tourism Development Areas.</p> <p>(Provincial Tourism White Paper and the Integrated Tourism Development Framework)</p>	The implementation of 4 projects.	Implementation of projects and programmes.	<p>The following projects were implemented as part of the ITDF's Tourism Development Areas which focuses on tourism related infrastructure and job creation:</p> <ul style="list-style-type: none"> • The Eastern Gateway, located at the Storms River Bridge as it serves as an entry point into the Province. Distribution points have been allocated along this route which allows for ambassadors to distribute brochures and pamphlets. • Agulhas: Finalisation of business plan for tourism-related infrastructure at the Southern most tip in terms of signage, a boardwalk and 	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.2: Tourism Growth				
			<ul style="list-style-type: none"> • Cape Flats Tourism Development Area (District Six Museum) – completed the collation of the narratives for the Sport Memory Project exhibition. • Route 62: upgrading of the community conference facility in Winola Park (Cape Winelands) to include a tea room and meeting area as part of identifying areas for beautification along the route. • West Coast: Upgrading of the Guest House in Wupperthal. Finalisation of feasibility studies and business plans for upgrade to the Elands Bay Resort (including the building of braai facilities, installation of security lights, tiling and painting of toilet 	
<p>Implementation of the Cape 365 (An intervention identified to address matters pertaining to seasonality in the WC).</p> <p>(ASGISA, MEDS and Tourism White Paper and Cape 365 Study)</p>	No. of recommendations implemented.	Implement some of the key recommendations identified in the study.	<p>A key recommendation from the study was the establishment of the Cape 365 Task Team. This was done as in the Tourism Growth Sub-committee of the WCTD Partnership. The Task Team includes representatives from the Department, CTRU, the City of Cape Town, SATSA, ACSA, FEDHASA, SAACI and a representative from each of the Regional Tourism Organisations. The Task Team has identified the establishment of an Events' Trust as its key focus area. The Events' Trust will seek private sector investment, will ensure that events are geared towards the low season and will ensure that there is balanced</p>	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.2: Tourism Growth				
			<p>The Fashion Festival and the Hout Bay Seafood Festival were supported in terms of events held during the low season.</p> <p>As part of Cape 365, the Air Access Africa to Western Cape study was completed.</p>	
Development of a comprehensive Tourism Investment Recruitment Portfolio for the Western Cape. Portfolio to be marketed to both local and international investors.	No. of tourism investment packages facilitated.	Development of strategic tourism investment framework.	<p>In partnership with WESGRO.</p> <p>ToR developed.</p> <p>Service Provider appointed.</p>	<p>Phase 1: development of Framework to be completed in 2008/2009.</p> <p>Phase 2: packaging of investments and facilitation thereof to be completed</p>
To carry out Strategic Tourism Safety & Support Planning.	Strategic and Management Plans and Procedures that address Safety and Support of Tourists.	Draft review of plans and procedures.	<p>Plans and procedures reviewed.</p> <p>Upgraded the activation forms to include more information regarding the incidents for statistical purposes.</p>	
	Plans for six regions and fifteen local areas.	Implementation of regional and local area	<p>Plans in the six regions: West Coast, Winelands, Central Karoo, Overberg, Eden and Cape Metropole.</p> <p>Plans in 17 Local Areas for the following towns: Breede River, Breede Vallei, Drakenstein, Stellenbosch, Wilzenberg, Beaufort West, Laingsburg, Prince Albert, Berg River, Cederberg, Matzikamma, Saldanha, Swartland, Cape Agulhas, Overstrand, Swellendam and</p>	
	A major events plan that incorporates the World Cup Soccer 2010.	Attend World Cup 2010 Planning meetings.	Attended National Road Signage World Cup 2010 meetings, World Cup 2010 TGCSA Signage meetings, World Cup 2010 Technical meetings, and WCTD Partnership 2010 Sub-committee	
	Number of National Tourism Safety & Security meetings attended.	Attend National Tourism Safety & Security meetings.	National meetings attended.	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.2: Tourism Growth				
Promote Tourism Safety and Security awareness through proactive	Number of awareness programmes.	Distribution of the brochure and safety tips	100 000 brochures and safety tips distributed throughout the Western Cape.	
Provide a high level response capability through the Tourism Victim Support Programme.	Number of effective, efficient responses to incidents.	Responding to 80% of reported tourist incidents. Update database.	Responded to and managed 76 reported tourist incidents. 100% response rate.	
Oversee and promote effective implementation of Tourism Road Signage.	Development of Tourism Road Signage for specific Tourism Routes/Areas and gateway developments.	Continued development of Road Signage for Cape-Namibia	Specifications finalised and Service Provider to be	Appointment of Service Provider to be finalised in first quarter of 2008/2009.
	Number of tourist routes	Continued development of Road Signage for Eastern, Western and Northern Gateways as required – ongoing.	Eastern Gateway implemented with Signage to be finalised. Northern and Western Gateways on hold due to the ITDF review	Terms of reference drafted for Eastern Gateway. Appointment of Service Provider to be finalised in first quarter of 2008/2009.
	Number of Regional Tourism Liaison Committee Meetings held.	4 Regional Tourism Liaison Committees fully functional meetings on scheduled basis.	4 fully functional Regional Tourism Liaison Committees met on a scheduled basis. 22 Meetings held throughout the year. Tourism Road Signage training for 60 tourism officers and municipal officials in the Cape Winelands and Central	
Develop and oversee quality assurance programme.	A completed strategic framework for the Quality Assurance Programme.	Implementation of Strategic Framework for Quality Assurance Programme.	Draft Strategic Framework for Quality Assurance.	
	Number of Quality Assurance Inspectors/ Assessors trained to do Monitoring and	Implementation of quality assurance programme i.e. Monitoring and evaluation by Cape Town Routes Unlimited.	One assessor trained by the Tourism Grading Council. 535 tourism products assessed during the 2007/2008 financial year.	
	Number of recommendations of the Universal Accessibility (UA) strategy implemented.	Implementation of Universal Accessibility strategy.	Development of UA travel guide. 6 disabled beneficiaries trained to become assessors. 20 UA facilities	
	Number of National Quality assurance meetings	Attend National Quality assurance meetings.	No meetings	No meetings scheduled by
	Number of Tourism Grading Council Board meetings attended.	Attend Tourism Grading Council Board meetings.	No meetings	DEDT representation no longer required as
24/7 Access to information – information provisioning (directions; products/ services available) to tourists on a 24/7 basis.	The establishment of a 24/7 information service.	Conceptualisation of programme.	Programme concep-tualised in terms of a research study undertaken in order for Tourists to access information	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.2: Tourism Growth				
Refining the Tourism HRD Strategy via the Skills Development Forum.	Fully operational Skills Development Forum that meets quarterly.	Skills Development forum that is fully operational.	The HRD Sub-Committee is fully functional with regular meetings held to refine the HRD Strategy and implement key	
Refining the Tourism HRD Strategy via the Skills Development Forum.	An HRD Strategy for the Western Cape Tourism Industry that is supported by all	Refinement of HRD Strategy in consultation with key stakeholders.	The Tourism HRD Strategy has been refined by the Tourism HRD Sub-committee of the WCTD Partnership. Broader consultation took place with DEAT to ensure alignment with the national Tourism HRD Framework.	
Conducting tourism education, training and skills programmes in the six regions (short-term interventions) in consultation with workforce development, THETA and the HRD sub-committee.	Number of training sessions in 6 regions of	Implementation of training in 2 pilot sites.	5 skills training programmes implemented, with a total of 92 beneficiaries: <ul style="list-style-type: none"> • HDI Golf Caddie service excellence programme – 15 beneficiaries. • George Meter Taxi Project – 30 beneficiaries. • Universal Accessibility for LTBs – 30 beneficiaries. • UWC HDI Management Fast Track Programme – 12 beneficiaries. 	
Establishment of various Tourism Related Bursary Funds. In partnership with	Number of successful bursary recipients.	Initiate and maintain 3 bursary funds.	3 Tourism Bursary Funds with a total of 30 students: <ul style="list-style-type: none"> • South Cape College – 13 students. • Cape Peninsula University of Technology – 13 students. • University of Stellenbosch, Breedekloof Bursary <p>The students were selected from within the Province and are studying towards qualifications in Tourism Management, Hospitality Management, Food & Beverage, and Events Management.</p>	
Implement network of Tourism Development Agents to build capacity at local level.	Suitable, competent Tourism Development Agents adequately covering all regions of the Western Cape.	Implement plan through a pilot 4 regions of the Western Cape.	Terms of reference were finalised and advertised, albeit with a poor response.	Re-advertisement in consultation with the Municipalities and DEAT officials in the DMs.



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.3: Tourism Participation				
Strengthening the Tourism Business Forum Partnership.	Consolidated Tourism Business Development in the Western Cape through the co-operation of all relevant	Ensuring that each of the core members of the Tourism Business Forum deliver according to agreed responsibilities of the core partners.	The TBF was absorbed into the WCTD Partnership and became the Participation in Tourism Sub-committee. The key projects driven by the Participation in Tourism Sub-committee are the draft Tourism BBBEE Strategy and Implementation Plan, as well as the Tourism	
Strategic Blueprint for Tourism Enterprise Development Tourism Blue Chip Investment Portfolio.	Develop a number of business concepts, some of which are packaged with business plans and feasibility studies developed to be awarded to suitable tourism entrepreneurs. Number of opportunities completed in the Province.	Twenty packaged business concepts (and 200 business ideas developed) to be awarded to suitable tourism entrepreneurs as part of Tourism Blue Chip Investment Portfolio.	Phase 1 deliverables by the service provider have been met and taken up as part of sourcing entrepreneurs to be trained in the Tourism Tiered Support System.	Project to be re-formulated and in line with the outcomes of the Western Cape Tourism Investment
Refining the overhauled THD (Tourism Help Desk) Network.	Suitable, competent THDs adequately covering all regions of the Western	Ensure external network of capacitated THDs in all regions of the Western	The THDs were re-evaluated and active recruitment for new THD agents took place. There are 16 active THD agents. Quarterly THD Forums were held to capacitate THD agents. The THDs conducted 181 Tourism Outreach	
Implementation of the Tourism Business Management Programme (TBMP).	Number of entrepreneurs who proceed to level IV.	Implement effective Tourism Business Management Programme ensuring that demand for programme is adequately met.	Tourism Business Management Programme: The curricula for Beginners, Intermediate and Advanced have been revised. All entrepreneurs who attended the training were assessed at their businesses. Training took place in all six regions of the Province. A total of 857 people were trained as follows: <ul style="list-style-type: none"> • 24 Awareness sessions with 404 beneficiaries; • 14 Beginners sessions with 288 beneficiaries; • 56 Intermediate sessions with 133 beneficiaries; and 	
Implementation of the Tourism Fast Track Programme (TFT).	Number of entrepreneurs who successfully complete Fast Track each year and continue	Expand programme into areas determined by Blue Chip.	23 Successfully completed the Fast Track Programme.	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.3: Tourism Participation				
Implementation of the Tourism Mentorship Programme (TMP).	Number of entrepreneurs who successfully complete TMP each year.	Expand programme into areas determined by Blue Chip.	Entrepreneurs selected in line with the Tourism Blue Chip Investment Portfolio. 12 Entrepreneurs paired with mentors.	
Staging of improved Cape Tourism Showcase.	Number of contracts initiated or secured as a result of exhibition at the CTS.	Well-planned and improved Cape Tourism Showcase, with arrangements starting in	Not Met.	Re-conceptualisation as part of the 2008 Tourism Destination
Monitoring and Evaluation of the Tourism Enterprise Development	Research document measuring current Interventions, progress made in transforming the industry, and gaps that still exist that	Conduct M&E study.	Not Met.	M&E of sub-directorate needs to be aligned to the M&E Frameworks of the Chief Directorate and
Keep an accurate and accessible register of qualified tourist guides within the Province in accordance with the Legislation.	Number of new and re-registered tourist guides on the database.	Increase of approximately 1500 re-registrations and 750 new registrations.	835 New registrations and 1 750 re-registrations. 941 Registered black tourist guides. 2 585 Total registered tourist guides.	
Minimise the utilisation of illegal tourist guides through increased public	Number of public awareness interventions.	2000 Pamphlets printed and disseminated.	3 000 Pamphlets and posters were printed and distributed to tourism stakeholders, including the local tourism offices throughout the Province. Distribution also took place during the Premier's Imbizo to create public awareness.	
		Bi-annual presentations to tour operators.	Tour Operator Association of Cape Town invited the Registrar to present to tour operators current events in the guiding	
Disseminate information about registered tourist guides within the Province and associations of tourist guides.	Number of presentations held to promote guiding	Presentations done to SATSA and TOACT.	Presentations were conducted. This allowed for an opportunity of interaction between the various stakeholders in tourism, namely tour operators and guides (members	
		4 Newsletters distributed per year.	Quarterly tourist guides' newsletters have been produced and distributed widely in the Province, including the Regional & Local Tourism Offices. Newsletters were distributed to tourism stakeholders, including CTRU and WESGRO, as	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.3: Tourism Participation				
			these entities also provide input to the newsletter. Copies are made available to tourist guides who visit the office to register, renew registration or seek information regarding the current news on the guiding industry. The newsletter focused on training interventions offered to existing and new	
Maintaining a co-operative relationship within the tourism industry in consultation with	Inclusion on agenda of stakeholder meetings attended.	Attendance at key industry stakeholder meetings.	<p>Provincial Registrars' Forum quarterly meetings attended.</p> <p>Meeting held with representatives from Cape Tourist Guides' Association, THETA and SATIA to discuss issues affecting the guiding industry.</p> <p>Ongoing interaction with all key stakeholders to ensure effective communication. Issues raised by industry discussed and alternatives looked at to ensure that the industry is regulated</p>	
Promote and encourage transformation within the Tourist Guiding industry.	Increase number of black tourist guides.	Implement training programmes targeted at the historically	<p>Training interventions implemented for 86 new guides:</p> <ul style="list-style-type: none"> • Tourist guide training for 35 HDI guides to be qualified as Site Guides for the Western Cape and Cape Winelands, HDIs undergo a selection process and the youth are strongly represented. • Training of 16 Field Guides (in partnership with Cape Nature). These individuals underwent an extensive training programme and placing them in employment, forms part of the project. • Meter Taxi Training for 10 guides (in partnership with Touch Down Meter Taxis). These individuals 	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.3: Tourism Participation				
Promote and encourage transformation within the Tourist Guiding industry continued.	Number of training and upskilling interventions for HDI tourist guides.	4 upskilling programmes conducted for HDI Tourist Guides.	<ul style="list-style-type: none"> Site Guide Training of 13 new Robben Island Museum guides for Robben Island, the Cape Metropole and Cape Winelands. Learnership Programme for 12 tourist guides (exposing guides to the practical work environment while undergoing training). Partnership between the Department, Energy Guides, THETA and Host Employers, comprising of 	
	Number of black guides on guiding structures and associations to drive transformation agenda.	Increase the number of black guides on the WCTGA by 10%.	<ul style="list-style-type: none"> 4 Programmes implemented for 89 guides: <ul style="list-style-type: none"> Intermediate German Language training for 2 tourist guides. This course was a follow up to the Beginners course, which was held in the previous financial year. Upskilling 17 Robben Island Museum guides to become Western Cape Regional Guides. Recognition of Prior Learning to 4 Robben Island Museum guides and 11 other tourist guides who needed recognition of prior learning in order to register with the Department and become legal guides. Tourist Guides' Ambassadorial programme which exposed 55 registered tourist guides to basic 	Roadshows were conducted in Eden to lobby tourist guides in the area to establish an Association that ensures representation.



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.3: Tourism Participation				
			Current associations were invited to part-take and HDI guides were targeted in order to ensure input from all. The Cape Tourist Guides' Association remains the main forum for	
	Attendance of tourists guides at functions to celebrate the contributions by tourist guides to the industry.	Host two functions to honour tourist guides.	A successful International Tourist Guides' Day was celebrated in Knysna on 21 February 2008. The Welcome Awards' Tourist Guide category winners were announced together with other winners in Tourism, as part of the 2007 Provincial Tourism	
Advocacy role in addressing the blockages experienced with Tour Operating	Number of booklets distributed to the tourism	Develop a booklet that addresses the NLTTA and the operations of the TOLB.	A total number of 7 500 "How to become a tourist guide" booklets were distributed to all RTOs and LTOs and other stakeholders. The booklets were distributed at all Government IMBIZOs. The booklet, which is in the 3-official Western Cape Languages, can also be found at the Tourist Guide	The NLTTA is currently being amended. Revised booklets will be printed once the amendments have been published, as the changes will affect the operations of the Tour Operators'
Business environment enhancement for tourism businesses.	A survey that identifies the blockages, barriers and hindrances and outlines the way forward.	Survey to identify blockages specifically experienced by tourism	Survey conducted. Recommendations to be finalised by the Participation in Tourism Sub-committee.	
Implementing and maintaining social tourism projects.	Number of social tourism projects.	Continued support to already established programmes.	Access to the Cape – 226 beneficiaries making up youth, disabled people and women, with emphasis on participants from the Provincial 21 priority areas: Group 1: 80 beneficiaries from Gugulethu, Phillipi, Elsie's River, Vredenburg and Hanover Park. Group 2: 94 beneficiaries from Kleinvele, Witzenberg, Mitchell's Plain, Khayelitsha and Delft. Group 3: 52 beneficiaries from Mitchell's Plain, Normzamo, Lwandle	



Measurable Objective	Performance measures/ service delivery indicators	Actual performance against target		
		Target	Actual	Remedial Action
Sub-programme 5.3: Tourism Participation				
			A Tourism Youth Seminar was held, with 60 beneficiaries attending from Bishop Lavis, Delft, Elsie's River, Gugulethu, Hanover Park Khayelitsha, Manenberg, Muizenberg, Nyanga and Phillipi (selected from the provincial 21 priority areas).	
Implementing and maintaining social tourism projects continued.	Number of social tourism projects.	Continued support to already established programmes.	2008 Tourism Schools' Competition commenced. Competition entries forms distributed to all schools' in the Province that have	
			For the 2007 Provincial Tourism Awards' Ceremony where winners were chosen from the following categories: The Tourism Information Officer of the Year; The Tourist Guide of the Year; The Tourism Student of the Year; The Tourism Help Desk of the Year; and the MEC Award for Service	



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Part Three

Audit Committee Report





AUDIT COMMITTEE REPORT FOR THE FINANCIAL YEAR ENDING 31 MARCH 2008

We are pleased to present our report for the above-mentioned financial year.

Appointment of Audit Committees

The Department of Economic Development and Tourism (Vote 12) was served by a Shared Audit Committee appointed under Cabinet Resolution 75/2003 on 23 June 2003 which was subsequently extended by Cabinet Resolutions 95/2005 and 77/2007. The term of the Shared Audit Committee expired on 31 December 2007.

Commencing 1 January 2008 the Department is served by the Economic Cluster Audit Committee, under Cabinet Resolution 55/2007.

Audit Committee Members and Attendance

The Audit Committee is required to meet a minimum of 4 times per annum as per its approved Terms of Reference. During the term of the Shared Audit Committee the following meetings were held and attended from 1 April 2007 until 31 December 2007:

Member	Meetings Attended
Mr J.A. Jarvis (Chairperson)	9
Mr J. January	4
Mr P. Jones	8
Mr R. Warley	2

No formal meetings for the Economic Cluster Audit Committee were held for the period 1 January 2008 to 31 March 2008.

Audit Committee Responsibility

The Audit Committees have complied with their responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13 and 27(1) (10). The Audit Committees have also regulated their affairs and discharged their responsibilities in terms of the Audit Committee Charter.

Effectiveness of Internal Control

Internal Audit Function

In 2004 the Sihluma Sonke Consortium was appointed to develop and transfer internal audit skills to the staff of the Provincial Government over a three-year period. At the end of December 2006 the Consortium contract was extended for a further 2 years to allow the development of the Internal Audit function to be completed. Some progress was made to internalise internal audit capacity and skills within Provincial Treasury. Significant progress is being made in the new financial year.

Internal Control

The evaluation of internal control comprises an evaluation of:

- The adequacy of the design of the control environment;
- The extent of compliance to established policies, procedures and applicable legislation; and
- The efficiency and effectiveness of controls implemented by management to achieve the overall departmental objectives.



In line with the Operational Internal Audit plan for 2007/8 approved by the Shared Audit Committee the internal audit effort was focused on assessing design and compliance for the following processes:

1. Supply Chain Management (including Bid Management, Procurement above R5000, Transport Management, Asset Management, Procurement below R5000, Stock take, DITCOM and Disposal Management)
2. Funding process of Special Purpose Vehicles (Western Cape Tooling Industry, Cape Craft and Design Institute, SA Oil and Gas Alliance and Cape Ship Repair)
3. RED Door Project (Head Office, Mitchells Plain, Khayelitsha, Atlantis, Vredenburg and Mossel Bay)
4. "Die PLEK PLAN"
5. Salary, Debt and Systems
6. Human Resource Management
7. Human Resource Management and Support Services
8. Liquor Regulation
9. Office of the Consumer Protector
10. Transfer Payments
11. Various Follow-up audits

Based on the results of the above audits, the system of internal control is adequate; however in some instances it was not operating as intended for the year under review, as compliance with certain prescribed policies and procedures was lacking. Internal Audit received commitment from

Management to implement corrective action on weaknesses identified.

Enterprise Risk Management

The Economic Cluster Audit Committee acknowledges the positive achievements of the department in this regard. Enterprise Risk Management is now fully established and the Audit Committee is monitoring progress on a quarterly basis.

Information Technology

In the previous financial year the Shared Audit Committee expressed its concerns regarding the growing crisis of IT within the Provincial Government. This included the need to replace outdated equipment, improve security, back-up information and develop plans to address the business needs of its customers including this department.

During the year under review internal audit results showed no significant progress largely due to the transversal nature of the underlying IT service.

The Economic Cluster Audit Committee strongly urges Provincial Government to escalate this crisis to the highest level of priority for action to prevent a collapse of the IT systems.

In Year Management Reporting

The In Year Management Reports (IYM) were submitted to the Audit Committees as required and the Committees were accordingly informed of the financial situation of the Department in relation to its budget. The Committees continue to monitor these reports.

Evaluation of Financial Statements

The Economic Cluster Audit Committee has:



- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management letter and management's response thereto; and
- Reviewed significant adjustments resulting from the audit.

The Economic Cluster Audit Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements, and is of the opinion that the audited Annual Financial Statements read

together with the report of the Auditor-General be accepted.

Appreciation

The Audit Committees wish to express their appreciation to the Provincial Treasury, Officials of the Department, the Auditor General and

Mr. J.A. Jarvis
Chairperson of
the Shared Audit
Committee

Date: 4 August 2008

Mr. P.C. Jones
Chairperson of
the Economic Cluster
Audit Committee

Date: 4 August 2008



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Part Four

Annual Financial Statements



Annual Report 2007/2008



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Report of the accounting officer for year ended 31 March 2008

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Republic of South Africa.

1 General review of the state of financial affairs

The Provincial Growth and Development Strategy (PGDS) agreed between government, business, civil society and social partners, sets a clear vision for the Department – one of shared growth and integrated development. The iKapa Elihlumayo strategy, which evolved out of the PGDS, is based on four key pillars, namely growth, equity, empowerment and environmental integrity. The iKapa Elihlumayo strategy recognises the need to define the desired form of growth that Government seeks to stimulate.

Foremost, it recognises that economic growth is accompanied by and improves on the social equity of the Province. Finally, it highlights that social inequality can negatively affect the benefits of any economic growth attained for the poor, as well as future growth.

The basic approach to the work of the Department of Economic Development and Tourism is to develop a vehicle of appropriate direct services to all economic citizens on the ground. Fundamental to the development of such vehicles is the Micro-Economic Development Strategy (MEDS).

In response to the above-mentioned call, the Department prioritised the following as key deliverables for the 2007/08 fiscal year:

- Skills development,
- Enterprise development,
- Sector support,
- Spatial expression of the MEDS,
- Business regulation and governance, and
- Institutional review

In terms of skills development, the Workforce Development Sub-directorate within the Trade and Industry programme has been the lead agent co-ordinating functions within the Department. Demand

and supply side analyses on six sectors have been completed with comprehensive implementation strategies work shopped by key stakeholders. With this key analysis completed, the workforce development interventions can now be more sector focussed and will become a key element of the overall sector programme.

The Tourism Programme has been actively involved in tourism training and development initiatives. In the 2006/2007 financial year an amount R3, 6 million was spent and 2 518 people benefited from the training and development initiatives. In the 2007/2008 financial year an amount R4, 5 million was spent and 3 358 people benefited from the initiatives.

Furthermore, the financial year saw further refinement of the Tourism HRD Strategy in consultation with stakeholders. 5 skills training programmes were implemented, with a total of 92 beneficiaries.

The **Enterprise Development** sub programme promotes the migration of entrepreneurs, both formal and informal, from the second to the first economy. The focus areas include: access to finance; training; mentorship and business related infrastructure. The past year has seen the sub programme make considerable progress toward realising key deliverables in this area.

A Business Assistance Support Programme providing both financial and non-financial support to “unbankable” entrepreneurs was successfully developed and implemented. The programme looks at survivalist, small businesses and co-operatives and their migration process towards sustainable business. The support programme has resulted in improved links with the province’s financial institutions and stimulation of private public partnerships. The key success factor of this programme is the mentoring support that accompanies the funding of new and existing business ventures. The programme provides entrepreneurs with access to the voucher programme that covers aspects such as business plan development, feasibility study, due diligence and marketing tools.

To further encourage informal businesses to move towards formality the Survivalist Programme, which focuses on unconventional initiatives geared to address unemployment and stimulate entrepreneurship amongst beneficiaries at the lower end of the economic spectrum, was consolidated. Beneficiaries received basic business training and assistance in developing business plans coupled to a stringent mentorship programme.

The initiative has also seen beneficiaries being exposed to the formal banking sector, with selected business



The implementation on the RED Initiative continued from strength to strength. Enterprise Development and local municipalities are ensuring that support services of the RED Doors and mobile units are anchored in localities in supporting both new and existing businesses. The Enterprise Development sub-programme has continued to link themselves to the private sector, NGO's and local authorities in an effort to support SMEs. These linkages have extended to broader organised business organisations and tertiary institutions such as the Cape Peninsula University of Technology (CPUT) with the focus on sharing expertise.

It has also continued to support small business exhibitions where service providers, private sector institutions, finance institutions and parastatals showcase opportunities and linkages for SMEs. To support the strengthening of the RED initiative the strategy of this sub programme is aligned with the national small business strategy and defined by partnerships at both national level (with government agencies such as CIPRO, SEDA, Umsobomvu Youth Fund, CSIR, SAMAF, DBSA, HSRC, SABS, SARS and Khula) and at provincial level (with collaboration initiatives with departments of Transport and Public Works, Education and Agriculture).

This financial year closed on a particular highlight with the Provincial Co-operative Strategy ready to embark on its consultation process towards finalization.

Against the MEDS research, significant progress has been made in laying the platform for major interventions going forward that will allow the department to have a positive impact on growth in the Western Cape economy. The Department has taken the lead nationally in what is termed the "New Industrial Policy" that has its locus of influence at a regional or local level rather than the national. This New Industrial Policy recognises the interventionist role of sub-national governments in working with the private sector to unblock constraints to development, or in economic terminology, to target the various forms of "market failure" that lead to sub-optimal growth outcomes.

Following the completion of the first draft of the MEDS strategy in 2006, the department has focused its attention on its "priority and significant" sectors. These are sectors that display strong growth potential, or where there are "dynamic returns to scale", and where the job creation impact goes far beyond the immediate jobs created or sustained. These are particularly evident in the manufactured sectors, and tradable services. An additional focus has been on the creative industries that act as a catalyst for growth both within the creative firms, and across other sectors.

Since the completion of the MEDS, the Department's work

could be characterised as building the "soft" infra-structure, to enable the delivery of major interventions that will transform and grow the Western Cape economy through its priority targeted sectors. This soft infra-structure takes the form of the networks of relationships that enable the transfer of tacit knowledge between firms, and support government in identifying and developing interventions to unblock constraints to growth. The networks of firms have been formalised through cluster initiatives that are referred to in the province as "Special Purpose Vehicles" or SPVs. These bodies are comprised of representatives from government, industry, labour and academia, who oversee the implementation of sector development strategies. The SPV's are all staffed by industry specialists, with some 70 staff now being supported across 16 SPV's.

The Department provides the bulk of the funding, although SPV's are encouraged to increasingly draw their funds from the private sector and other sources. Due however to the public nature of the interventions carried out by the SPV's, it is clear that they would not survive as industry "associations", that are narrowly focused on delivering benefits to a narrow range of members. The SPV's are without exception characterised by open membership, and focus largely on improving the underlying business conditions and environment in which firms operate. They also have as an explicit target the entry of new and particularly black-owned firms into the sector.

The SPVs have with the guidance of the Department been building up institutional capability, and strengthening the networks across the sector. A range of interventions have been implemented in each SPV, focusing on marketing and promoting the sector, funding initiatives that improve the competitiveness of firms, and funding interventions to build new and transformed enterprises and SMMEs. A key long term goal of the provincial government has been to put in place sector skills strategies, with key pieces of research having been completed towards these strategies. In addition to the sector skills research, a number of interventions in the more established SPV's were successfully carried out, and these will be deepened.

The Local Economic Development sub programme gives effect to the spatial expression of economic development by the provision of support to municipalities in developing LED strategies, identification of economic opportunities as well broadening of participation and promoting shared growth through the Rural Economic Assistance fund (REAF)

The sub programme continued to make steady progress in supporting municipalities to develop LED strategies



that are far more credible for long-term growth and development. It provided guidance and technical support to municipalities on their strategy and implementation plans through LG MTEC processes of IDP and LED assessments and reviews.

LED embarked on a series of practical workshops through a provincial roadshow across the province during the course of the year to assist municipalities in developing credible LED strategies. The focus of the workshops was to identify plans of by local municipalities on their priorities. Workshop agendas were tailored for each district to address specific local needs and challenges, and aimed to create awareness; build better participation; and assist in the launch and rollout of departmental programmes. To build awareness and provide access to urban, rural and township communities to departmental, provincial and national programmes at local level, the sub programme supported the planning and hosting of the first District Growth and Development Summits in the Western Cape, as well as fully participating in both provincial and national imbizos in June and November 2007.

To further the efforts of increasing the spatial spread of economic development across the province, the sub programme aims to provide access to real economic opportunities for local municipalities and local people. The Plek Plan programme is an intervention aimed to fast track support at local level and aims to ensure greater spatial spread of support by the department in local areas. PLEK PLAN is an intervention that speaks directly to the elements of the national framework to stimulate local economies by identifying economic opportunities locally. It rolled out the five 5 additional PLEK PLAN offices following on the success of the first phase of rollout. PLEK PLAN managers completed economic profiles of regions to assist in opportunity identification that was tested for viability and local development potential. Where credible and to ensure greater spatial spread, these opportunities are made available to increase access for local people, local municipalities and local organized stakeholders such as business forums and civil society groupings.

Finally, the sub programme has provided support to a number of government planning processes and projects like creative streets programme, the urban renewal programme and 2010, to stimulate priority areas and accelerate shared economic growth and development across the province.

In terms of Business Regulation and Governance, the OCP has made considerable progress with its efforts to implement the Western Cape Consumer Affairs (Unfair

Business Practices) Act, 2002 (Act 10 of 2002) during the 2007/2008 financial year. The department has accordingly initiated the process of appointing members of the Consumer Tribunal as prescribed in the Act. The prescribed legislative process requires the Minister to invite interested parties to nominate candidates for consideration as members of the Tribunal. It is anticipated that the process of appointing Tribunal members will be completed within the first quarter of the 2008/2009 financial year, after completion of the short listing and interviewing processes. The OCP has also progressed with developing the Regulations that must be issued in terms of the Act. These regulations are critical for the effective implementation of the Act as it will contain all forms that must be utilised by the various institutions when enforcing various provisions of the Act. The Regulations will also specify the operating procedures that must be complied with by the Consumer Protector and the Consumer Tribunal. The absence of the Regulations will thus make the full enforcement of the Act and the operating of the Tribunal impractical. The Regulations will be evaluated and edited by the Legal Services branch within the Premiers Department and it is anticipated that this process will be finalised during the second quarter of the financial year, whereafter the Regulations will be published for comment as per the dictates of legislative procedure. It is however important to note that the Act prescribes that the Chairperson of the Consumer Tribunal must be consulted during the process of finalising the Regulations. It was thus imperative to ensure the commencement of the Act in order for the Chairperson of the Tribunal to be appointed. Once the aforementioned requirements have been met, the legislation can become operational and the Consumer Tribunal can be operationalised.

The National Credit Act, 2005, was only fully implemented on 1 July 2007. As a result, the juristic body created by that act, the National Credit Regulator (NCR), is at this stage focussing on its role as the national credit regulator. Its interaction with provincial consumer protection authorities and their role as provincial credit regulators will in all probability only commence around the second the second or third quarter of the 2008/2009 year. In addition to the aforementioned, the insufficient human resource and budgetary allocation with regards to this additional function for the OCP is likely an impact on the implementation of this target.

Significant progress has been made in establishing the Office of the Consumer Protector office as well as implementing education and awareness campaigns. A director for the OCP was appointed during the



2007/2008 financial year, enabling the office undertakes certain projects aimed at consolidating the brand and awareness of the office. These two interventions, i.e. establishing the office and education and awareness, are closely linked, since in order for the Office of the Consumer Protector to become well established, effective education and awareness campaigns are vital. A number of education and awareness events have thus been completed during the 2007/2008 financial year with the objective of creating awareness about the OCP and also educating consumers about important consumer related matters. The OCP has in fact conducted a record amount of education and awareness events across the province during the 3rd and 4th quarter of the 2007/2008 financial year, greatly assisted in the effective establishment of the Office of the Consumer Protector.

A number of additional strategically important appointments within certain sub-directorates e.g. Tribunal Support and Education and Awareness were also in the process of being finalised before the end of the 2007/08 reporting year. The aforementioned appointments will ensure that the Consumer Protector's office is fully established and able to meet its strategic objectives such as enhanced education and awareness around consumer related matters. A communications and awareness strategy has been developed and preparatory steps taken to ensure that the implementation of certain awareness campaigns and projects identified in the strategy may be implemented early in the new financial year.

The "Institutional Review Process (IRP)" was one of the key Departmental deliverables for 2007/2008. The purpose was to assess various implementation agencies and Special Purpose Vehicles used by the Department so as to ensure that we have the appropriate institutional framework and vehicles for achieving our strategic objectives. Furthermore, the primary reason for the IRP was the overriding concern regarding the efficacy of the provinces' agencies for economic development, and whether the alignment amongst the agencies is optimal.

Each institution within each theme was investigated, key stakeholders were interviewed, and workshops held to consider potential options. A detailed evaluation of international case studies as to relevant institutional options was examined, with an international consultancy being sub-contracted. These were correlated against each other, with a number of broad-based workshops investigating appropriate institutional options, involving local and international experts. The institutional review process was completed in July 2007. The reports and

its recommendations were presented to the Cabinet in August 2007.

The Institutional review was successfully completed, and covered trade and investment promotion, rural development, enterprise development, tourism and sector development. At the start of the review, it was imagined that the end point would likely involve the design of an institution to lead economic development initiatives in the province. But through the research process, and particularly in the interaction with stakeholders at a final workshop in July, a strong consensus emerged that an immediate change in the overall institutional framework for economic development, by creating a new single agency, or an 'umbrella body', would not be constructive.

Recommendations for the sectors include:

- Make it possible for the SPV's to have greater certainty regarding the levels of funding over the medium term.
- Support the SPV's in ensuring greater levels of corporate governance.
- Enhance the level of knowledge sharing across the SPV's, and amongst government and private sector stakeholders.
- Assist and expand partnerships across the private sector, HEI's and State Owned Enterprises and Local government.

Regarding the work of Wesgro, concern was raised regarding the level of funding and ability to attract the requisite level of technical skills. It was recommended that a unit be established either within or outside Wesgro that could pro-actively package niche opportunities for investment. The unit will be able to arrange for expert advice for the Province on its involvement in ventures such as the Dreamworld film studio and telecommunications infra-structure. A proposal was submitted for funding to launch this in the form of Cape Catalyst that would initially be located within Wesgro. The Department was unsuccessful in identifying funding to initiate this process during the financial year.

Departmental expenditure

The Department had an original budget estimate of R214,152 million for the 2007/08 financial year. As discussed above, during the adjustment estimate process, the department surrendered an amount of R 16 million due to the inability to collect on its estimated revenue budget.



However, the Department also received funding during the Adjustment Estimate process amounting to R7, 689 million as a result of revenue retention (R3, 5 million), roll-overs (R2, 4 million) and increased own revenue (R1, 789 million). This resulted in a net loss on estimated expenditure amounting to R8, 766 million. The appropriation of the department was therefore adjusted to R205, 386 million.

Collection of departmental revenue

An amount of R20, 770 million was originally budgeted for the 2007/08 financial year. This budgeted was projected to be sourced from the following funding sources:

- Liquor revenue: R20, 5 million
- Sales from goods and services (Tourist guide registration fees): R 270 000

It should be noted that the revenue that was to accrue as a result of liquor license fees was budgeted subject to the new Liquor Bill being enacted by the Premier. While the liquor Bill was approved by the Provincial Cabinet, the premier however did not attest the bill, therefore resulting in it not being enacted.

As a result, revenue projected for liquor license fees was adjusted downwards by R16 million to R4, 5 million during the adjustment estimate process. This adjustment therefore resulted in a revised revenue estimation of R6, 559 million for the financial year.

As at the end of the reporting period, the Department over collected on its adjusted estimate of R6, 559 million by R3,990 million or 60, 8%. This was primarily due to the Department receiving funds from Wesgro and the DMO due to their accumulated surpluses from the previous financial year.

2 Service rendered by the department

2.1 Services rendered by the department include the registration of Tourist Guides and the issuing of Liquor Licenses to compliant applications.

2.2 Tariff policy
All tariffs are reflected in the Provincial Treasury approved tariff register, which is revised as legislation may determine.

2.3 Inventories
No inventories were on hand at year-end. Items are issued upon receipt.

3 Capacity constraints

As stated in previous Annual Reports, the primary challenge experienced by the Department relates to its ability to attract suitably qualified persons as well as delays in the recruitment and selection

process. A further exacerbation of this challenge is the loss of key personnel. This loss, results in not only the loss of a "warm body" but invariably of institutional memory.

4 Utilisation of donor funds

No Donor funding was received in the 2007/2008 financial year.

5 Trading entities and public entities

The Department has three Public Entities that report to it in terms of section 47 (1) of the Public Finance Management Act, 1999 (act 1 of 1999). These are:

- Western Cape Investment and Trade Promotion Agency (WESGRO)
- The Destination Marketing Organisation (trading as Cape Town Routes Unlimited)
- The Western Cape Liquor Board

Western Cape Investment and Trade Promotion Agency (WESGRO)

WESGRO was established in terms of the Western Cape Investment and Trade Promotion Law, 1996 (Act 3 of 1996). The major objective of the agency is to promote investment in and trade with the Western Cape.

An amount of R11, 750 million was transferred to Wesgro in the 2007/08 financial year. This represents an increase of 7.8 % when compared to the 2006/07 financial year where an amount of R10, 891 million was transferred.

The primary purpose of this allocation was to provide for the operational costs including salaries and to provide for projects identified by Department.

Destination Marketing Organisation (DMO)

The DMO was established in terms of the Provincial Western Cape Tourism Act (Act 1 of 2004). The major objective of the DMO is to promote th Western Cape and Cape Town as a premier tourist destination.

An amount of R28, 370 million was transferred to the DMO in the 2007/08 financial year. This represents an increase of 4.9 % when compared to the 2006/07 financial year where an amount of R27, 050 million was transferred.



The primary purpose of this allocation was to provide for the operational costs including salaries and to provide for projects identified by Department.

Western Cape Liquor Board

This is an in-house public entity that is responsible for the regulation of the retail and micro manufacturing sectors in the liquor industry. An amount of R5,233 million was expended by the Western Cape Liquor Board during the execution of its functions in the 2007/08 financial year.

6 Organisations to whom transfer payments have been made

A list of transfers made to organisations is included in Annexures 1A, 1B, 1C, 1D, 1E and 1F, of the Annual Financial Statements.

Most notable of these are the transfers to CASIDRA amounted to R29, 611 million, primarily to assist the Department in the establishment and maintenance of the RED door initiative and the management of the Siyabulela in the Western Cape.

Transfers to CSIR amounted to R10, 5 million. Reasons for these transfers were for the continued support of Die Plek Plan programme and the capitalisation of the Rural Economic Assistance Fund (REAF).

7 Public private partnerships (PPP)

No PPP's were undertaken in the 2007/2008 financial year.

8 Corporate governance arrangements

Governance provides assurance to all stakeholders that abilities are applied in such a manner that objectives will be achieved effectively and efficiently in an agreed ethical environment.

This Department understands the importance of corporate governance and that the internalizing of good governance will streamline their operations.

By complying with the National Treasury's Internal Audit Framework, the Provincial Treasury Government Governance Framework (Western Cape) as well as with Treasury Regulations this

Department strives to achieve a risk based approach to strategies and internal audit. This approach is consistent with the requirements of the Public Finance Management Act, Act 1 of 1999 and the King II Report.

During August 2007 the Departmental Enterprise Risk Management Unit was established to assist with the identification, analysis and mitigation of all Departmental risks. This Unit is responsible for maintaining a detailed Risk Register containing detail strategic, operational, project and fraud risks.

Operational risk assessments commenced during October 2007 and in March 2008 the Departmental Strategic Risk Assessment was facilitated.

The Enterprise Risk Management Unit played a leading role in the Western Cape by addressing incorrectly prescribed impact rating scales addressing operational risks which resulted in the issuing of Provincial Treasury: Risk Management Circular – 5/2008.

The Internal Control Unit is tasked to continuously monitor compliance with prescripts and post auditing of financial records. Pre and post audit meetings with auditees ensures that the reported control deficiencies are adequately addressed to improve systems. Internal inspections are also conducted in a risk based approach concentrating on operational and strategic risks in order to address

areas of concern and so deliver an effective and efficient internal control service.

On 19 March 2008 the Department hosted a very successful Fraud Awareness Day attended by staff and various employees from the Public Entities and Implementing Agencies of this Department. This event emphasised the Department's strong stance against crime and deliberate cultivation of the corporate governance culture within all spheres of the Department.

The office of the Chief Financial Officer maintains a Financial Manual in line with the PFMA, Treasury Regulations and Provincial Treasury Instructions to establish efficient financial management and policy in the Department.

The Department currently shares the centralised Audit Committee and Internal Audit Unit of the



9 Discontinued activities/activities to be discontinued

To better realign the services of the Department with other provincial Departments of Economic Development, the Department underwent a process of renaming a number of its programmes for 2007/2008 financial year. The renamed programmes are as follows:

No	Programme/ Sub-programme (2007/2008)	No	New Programme Name (2007/2008)
1	Administration Responsibility: Strategic Co-ordination	5	Economic Planning
5	Tourism	6	Tourism

10 New/proposed activities

As stated above, the new Departmental structure will therefore be Administration, Integrated Economic Development Services, Trade and industry Development, Business Regulation and Governance, Economic Planning and Tourism.

Reasons for this change in Departmental programme structure are to enable easier alignment, reporting and comparability between all provincial Departments of Economic Development.

11 Asset management

Monthly updates are taking place between the financial system and the asset register. All the assets have been added onto the Asset Register. In terms of the requirements, the Department does comply with the minimum requirements. Asset management reforms have been achieved. All updates and verification is done in conjunction with Treasury Guidelines. The Department is in the process of implementing an electronic asset register.

12 Events after the reporting date

No material facts or circumstances have occurred between the reporting date and the date of authorisation of issue of this report

13 Performance information

Performance within the Department is strictly gathered and monitored through the Department's Departmental Operation and performance

Management System (DOPMS). All units within the Department are required to document all projects implemented and performance information is gathered in terms of progress achieved on a monthly basis. A DOPMS panel, consisting of the Accounting officer, Chief Financial Officer, HR manager, DOPM manager and all Programme Managers, has also been established. All Programmes are to present information to the Panel and this is then evaluated in terms of discussing constraints and providing advice as to how to improve delivery within the various projects.

The Management Accounting sub-directorate further evaluates all performance against expenditure. This is later compiled into the quarterly performance Reports and later consolidated into the Department's Annual Report.

All actual information provided is also verified by the Internal Control unit who regularly conduct inspections in terms of the Performance Information to verify whether suitable documentary evidence exists for actual achievements claimed by units.

Management Reports are later drafted and submitted via the Office of the Chief Financial Officer to the Accounting Officer for discussion in the Departmental Top Management Committee meetings.



14 SCOPA resolutions

Include a table on the SCOPA resolutions. The table should conform to the following format:

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
None	None	None

15 Prior modifications to audit reports

15.1 Liquor licence income

The main reason for the inability to reconcile is the failure by SARS to furnish a breakdown of the details of the lump sum payments made to the department. The possibility of the SARS paying over the application fees (based on the number of new application recorded within a given period) was mooted during a meeting with the SARS.

SARS would in any event no longer act as a collecting agent for the Department/Liquor Board in terms of the soon-to-be-enacted provincial liquor legislation

15.2 BAS/PERSAL interface reconciliation

The differences/variances were rectified and resolved. The reconciliations are reviewed by a senior official on a monthly basis

15.3 Home owners allowances

The relevant application was submitted. Corrective action has been taken. The Manager: Employee Services is responsible to ensure that the relevant recommendation(s) is actioned, where relevant.

15.4 Capped leave and leave entitlement

An excel spreadsheet from previous financial previous years was utilised for the calculations of leave entitlement and capped leave amounts. The reports requested were utilised for the corrections as required.

Only Persal reports is utilised for the calculations of the amounts for leave entitlement and capped leave as stipulated in the Guide for the Preparation of Annual Reports. The office ensured that reports were requested correctly.

15.5 Statement of changes in net assets

Staff debt cases written of as bad debt were not taken on as debt with recoverable revenue on BAS. The debt therefore could not have been classified as recoverable revenue on the trial

balance which would have had an affect on the statement of net assets.

Staff debt cases to be taken on as recoverable revenue

16 Exemptions and deviations received from the National Treasury

No exemption from the PFMA or TR or deviation from the financial reporting requirements was received for the current and/or prior financial year.

17 Other

17.1 Financial Statements

The annual financial statements of the public entities, Destination Marketing Organisation (DMO) and Western Cape Investment and Trade Promotio Agency (WESGRO), do not form part of the Department's financial statements as the Accounting Authorities of the public entities will be compiling separate annual reports which will be tabled by the responsible Executive Authority.

17.2 Impairment of Investment

The calculation of the impairment is based on the percentage shareholding in Cape Town International Convention Centre (Convenco). The share of the impairment calculates to R77 million and form part of the provisions disclosure note in accordance with the accounting policy for investments.

18 Approval

The Annual Financial Statements set out on pages 133 to 187 have been approved by the Accounting Officer.

Jo-Ann Johnston
Acting Head of Department
28 July 2008



REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 12: DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM FOR THE YEAR ENDED 31 MARCH 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Economic Development and Tourism which comprise the appropriation statement, statement of financial position as at 31 March 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 145 to 187.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by National Treasury, as set out in the accounting policy note 1.1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and **General Notice 616 of 2008**, issued in **Government Gazette No. 31057 of 15 May 2008**. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by National Treasury, as set out in the accounting policy note 1.1.1.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Department of Economic Development and Tourism as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by National Treasury, as set out in the accounting policy note 1.1.1 and in the manner required by the PFMA.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

Significant uncertainties

Departmental revenue and receivables

10. The Department remained unable to accurately and completely account for the revenue and receivables raised in respect of the liquor licenses as liquor license income is collected by the South African Revenue Services (SARS) in an agency relationship. SARS transfers these collections in a lump sum, without giving a detailed breakdown of the revenue collected.

The inability of the Department to rectify the above situation is as a result of the legislation pertaining to this matter not being finalised.



OTHER MATTER

Without qualifying my audit opinion, I draw attention to the following matter that relate to my responsibilities in the audit of the financial statements:

Matters of governance

11. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

MATTER OF GOVERNANCE	Yes	No
Audit committee	■	
• The department had an audit committee in operation throughout the financial year.	■	
• The audit committee operates in accordance with approved, written terms of reference.	■	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	■	
Internal audit	■	
• The department had an internal audit function in operation throughout the financial year.	■	
• The internal audit function operates in terms of an approved internal audit plan.	■	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	■	
Other matters of governance	■	
The annual financial statements were submitted for audit as per the legislated deadlines (section 40 of the PFMA).	■	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.	■	
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	■	
The prior year's external audit recommendations have been substantially implemented.	■	

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OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

12. I have reviewed the performance information as set out on pages 16 to 127.

Responsibility of the accounting officer for the performance information

13. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

14. I conducted my engagement in accordance with section 13 of the PAA read with **General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.**
15. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

16. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

APPRECIATION

17. The assistance rendered by the staff of the Department of Economic Development and Tourism during the audit is sincerely appreciated.

Auditor-General

Cape Town

31 July 2008



AUDITOR - GENERAL



APPROPRIATION STATEMENT for the year ended 31 March 2008

Appropriation per programme									
	2007/2008						2006/2007		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION									
Current payment	22,063	(1)	1,417	23,479	23,370	109	99.5%	21,456	21,181
Transfers and subsidies	379	-	-	379	379	-	100%	13	7
Payment for capital assets	322	1	286	609	585	24	96.1%	1,609	1,609
2. INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
Current payment	25,806	(5,453)	(1,504)	18,828	18,692	136	99.3%	13,484	13,461
Transfers and subsidies	36,720	5,150	-	41,870	41,870	-	100%	33,810	32,308
Payment for capital assets	155	303	-	458	458	-	100%	178	150
3. TRADE AND INDUSTRY DEVELOPMENT									
Current payment	15,644	(1,187)	-	14,457	14,373	84	99.4%	13,582	13,574
Transfers and subsidies	45,161	1,115	-	46,276	45,276	1,000	97.8%	40,346	39,694
Payment for capital assets	130	72	-	202	201	1	99.5%	109	109
4. BUSINESS REGULATION AND GOVERNANCE									
Current payment	10,430	(356)	(560)	9,514	9,427	87	99.1%	8,150	8,143
Transfers and subsidies	1,500	-	-	1,500	1,000	500	66.7%	2,154	1,903
Payment for capital assets	190	356	455	1,001	1,000	1	99.9%	225	226
5. TOURISM									
Current payment	17,768	(1,024)	(545)	16,199	15,952	247	98.5%	11,531	11,503
Transfers and subsidies	28,959	927	-	29,886	29,886	-	100%	31,578	31,175
Payment for capital assets	160	97	471	728	728	-	100%	433	453
6. THEFT AND LOSSES									
Current payment	-	-	-	-	-	-	-	2	2
TOTAL	205,386	-	-	205,386	203,197	2,189	98.9%	178,661	175,498
TOTAL (brought forward)				205,386	203,197			178,661	175,498
Reconciliation with Statement of Financial Performance									
Add:									
Departmental revenue				3,989				6,565	
Actual amounts per Statements of Financial Performance (Total revenue)				209,375				185,226	
Actual amounts per Statements of Financial Performance (Total expenditure)					203,197				175,498



**APPROPRIATION STATEMENT
for the year ended 31 MARCH 2008**

Appropriation per programme									
	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	39,282	(2,483)	(293)	36,506	36,488	18	100%	30,487	30,372
Goods and services	52,428	(5,555)	(919)	45,954	45,309	645	98.6%	37,669	37,443
Financial transactions in assets and liabilities	-	17	-	17	17	-	100%	49	49
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-	-	524	510
Departmental agencies and accounts	41,038	436	-	41,474	41,474	-	100%	41,341	39,341
Universities and technicians	150	-	-	150	150	-	100%	2,650	2,650
Public corporations and private enterprises	35,070	5,191	-	40,261	40,261	-	100%	31,600	32,100
Non-profit institutions	36,461	1,561	-	38,022	36,522	1,500	96.1%	31,782	30,482
Households	-	4	-	4	4	-	100%	4	4
Payments for capital assets									
Machinery and equipment	957	800	1,212	2,969	2,943	26	99.1%	2,527	2,519
Software and other intangible assets	-	29	-	29	29	-	100%	28	28
Total	205,386	-	-	205,386	203,197	2,189	98.9%	178,661	175,498



**DETAIL PER PROGRAMME 1 - ADMINISTRATION
for the year ended 31 March 2008**

Programme per subprogramme	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the HOD									
Current payment	2,142	179	-	2,321	2,217	104	95.5%	3,541	3,541
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	20	-	-	20	19	1	95%	42	63
1.2 Financial Management									
Current payment	9,282	(130)	563	9,715	9,710	5	99.9%	7,766	7,764
Transfers and subsidies	379	-	-	379	379	-	100%	8	3
Payment for capital assets	181	1	38	220	209	11	95%	1,165	1,165
1.3 Corporate Services									
Current payment	10,639	(50)	854	11,443	11,443	-	100%	10,149	9,876
Transfers and subsidies	-	-	-	-	-	-	-	4	3
Payment for capital assets	121	-	248	369	357	12	96.7%	402	381
TOTAL	22,764	-	1,703	24,467	24,334	133	99.5%	23,078	22,797

Economic Classification	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	13,358	(311)	-	13,047	13,047	-	100%	11,072	10,971
Goods and services	8,705	310	1,417	10,432	10,322	110	98.9%	10,364	10,190
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	20	20
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	13	7
Departmental agencies and accounts	379	-	-	379	379	-	100%	-	-
Payment for capital assets									
Machinery and equipment	322	1	286	609	586	23	96.2%	1,609	1,609
Total	22,764	-	1,703	24,467	24,334	133	99.5%	23,078	22,797



**DETAIL PER PROGRAMME 2 – INTEGRATED ECONOMIC DEVELOPMENT SERVICES
for the year ended 31 March 2008**

Programme per subprogramme	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Management Integrated Economic Development Services									
Current payment	3,351	(929)	-	2,422	2,422	-	100%	1,695	1,679
Transfers and subsidies	-	-	-	-	-	-	-	5	4
Payment for capital assets	80	139	-	219	219	-	100%	23	22
2.2 Enterprise Development									
Current payment	9,015	(3,887)	(1,524)	3,604	3,468	136	96.2%	6,172	6,167
Transfers and subsidies	29,220	1,500	-	30,720	30,720	-	100%	23,323	21,823
Payment for capital assets	25	47	-	72	72	-	100%	71	72
2.3 Local Economic Development									
Current payment	9,870	519	-	10,389	10,389	-	100%	3,685	3,684
Transfers and subsidies	7,500	3,500	-	11,000	11,000	-	100%	10,481	10,480
Payment for capital assets	25	64	-	89	89	-	100%	59	48
2.4 Economic Empowerment									
Current payment	3,569	(1,156)	-	2,413	2,413	-	100%	1,932	1,931
Transfers and subsidies	-	150	-	150	150	-	100%	1	1
Payment for capital assets	25	53	-	78	78	-	100%	25	8
TOTAL	62,680	-	(1,524)	61,156	61,020	136	99.8%	47,472	45,919

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Economic Classification	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	7,935	(717)	(71)	7,147	7,148	(1)	100%	6,477	6,471
Goods and services	17,870	(4,752)	(1,453)	11,665	11,529	136	98.8%	6,983	6,966
Financial transactions in assets and liabilities	-	16	-	16	16	-	100%	24	24
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	6	4
Departmental agencies and accounts	1,500	-	-	1,500	1,500	-	100%	3,500	1,500
Public corporations and private enterprises	34,920	5,000	-	39,920	39,920	-	100%	29,800	30,300
Non-profit institutions	300	150	-	450	450	-	100%	500	500
Households	-	-	-	-	-	-	-	4	4
Payment for capital assets									
Machinery and equipment	155	303	-	458	457	1	99.8%	178	150
Total	62,680	-	(1,524)	61,156	61,020	136	99.8%	47,472	45,919



DETAIL PER PROGRAMME 3 – TRADE AND INDUSTRY DEVELOPMENT
for the year ended 31 March 2008

Programme per subprogramme	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Management Trade and Industry Development									
Current payment	2,856	(463)	-	2,393	2,393	-	100%	1,844	1,839
Transfers and subsidies	4	-	-	4	4	-	100%	2	1
Payment for capital assets	45	145	-	190	189	1	99.5%	66	66
3.2 Trade and Investment Promotion									
Current payment	900	14	-	914	914	-	100%	831	831
Transfers and subsidies	10,800	-	-	10,800	10,800	-	100%	10,391	10,391
3.3 Sector Development									
Current payment	8,495	1,233	-	9,728	9,645	83	99.1%	6,940	6,937
Transfers and subsidies	29,757	1,115	-	30,872	29,872	1,000	96.8%	27,952	27,301
Payment for capital assets	50	(38)	-	12	12	-	100%	17	17
3.4 Industry Development									
Current payment	3,393	(1,971)	-	1,422	1,421	1	99.9%	3,967	3,967
Transfers and subsidies	4,600	-	-	4,600	4,600	-	100%	2,001	2,001
Payment for capital assets	35	(35)	-	-	-	-	-	26	26
TOTAL	60,935	-	-	60,935	59,850	1,085	98.2%	54,037	53,377

Economic Classification	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	6,250	(383)	-	5,867	5,867	-	100%	4,762	4,759
Goods and services	9,394	(804)	-	8,590	8,506	84	99%	8,817	8,812
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	3	3
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	5	3
Departmental agencies and accounts	11,100	(300)	-	10,800	10,800	-	100%	10,791	10,791
Universities and technicians	-	-	-	-	-	-	-	2,000	2,000
Non-profit institutions	34,061	1,411	-	35,472	34,472	1,000	97.2%	27,550	26,900
Households	-	4	-	4	4	-	100%	-	-
Payment for capital assets									
Machinery and equipment	130	72	-	202	201	1	99.5%	109	109
Total	60,935	-	-	60,935	59,850	1,085	98.2%	54,037	53,377



**DETAIL PER PROGRAMME 4 – BUSINESS REGULATION AND GOVERNANCE
for the year ended 31 March 2008**

Programme per subprogramme	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Management Business Regulation and Governance									
Current payment	711	(107)	(38)	566	560	6	98.9%	7	5
Payment for capital assets	-	75	-	75	75	-	100%	-	-
4.2 Consumer Protection									
Current payment	5,822	(504)	(296)	5,022	4,957	65	98.7%	5,056	5,055
Transfers and subsidies	-	-	-	-	-	-	-	402	401
Payment for capital assets	120	(52)	-	58	57	1	98.3%	46	46
4.3 Liquor Regulation									
Current payment	3,897	255	(226)	3,926	3,910	16	99.6%	3,087	3,083
Transfers and subsidies	1,500	-	-	1,500	1,000	500	66.7%	1,752	1,502
Payment for capital assets	70	343	455	868	868	-	100%	180	180
TOTAL	12,120	-	(105)	12,015	11,427	588	95.1%	10,530	10,272

Economic Classification	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	5,520	(131)	(196)	5,193	5,191	2	100%	4,295	4,290
Goods and services	4,910	(225)	(364)	4,321	4,235	85	98%	3,855	3,853
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	4	3
Non-profit institutions	1,500	-	-	1,500	1,000	500	66.7%	2,150	1,900
Payment for capital assets									
Machinery and equipment	190	356	455	1,001	1,000	1	99.9%	226	226
Total	12,120	-	(105)	12,015	11,427	588	95.1%	10,530	10,272

DETAIL PER PROGRAMME 5 - TOURISM
for the year ended 31 March 2008

Programme per subprogramme	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Management Tourism									
Current payment	2,393	76	-	2,469	2,466	3	99.9%	1,182	1,181
Transfers and subsidies	-	-	-	-	-	-	-	1	-
Payment for capital assets	85	144	471	700	700	-	100%	106	107
5.2 Tourism Growth									
Current payment	5,499	(1,278)	(26)	4,195	4,106	89	97.9%	1,908	1,908
Transfers and subsidies	4,170	927	-	5,097	5,097	-	100%	732	331
Payment for capital assets	50	(34)	-	16	16	-	100%	-	-
5.3 Tourism Participation									
Current payment	8,976	36	(519)	8,493	8,338	155	98.2%	7,494	7,467
Transfers and subsidies	-	-	-	-	-	-	-	8,845	8,844
Payment for capital assets	25	(13)	-	12	12	-	100%	327	346
5.4 DMO									
Current payment	900	142	-	1,042	1,042	-	100%	947	947
Transfers and subsidies	24,789	-	-	24,789	24,789	-	100%	22,000	22,000
TOTAL	46,887	-	(74)	46,813	46,566	247	99.5%	43,542	43,131

Economic Classification	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Compensation of employees	6,219	(941)	(26)	5,252	5,235	17	99.7%	3,881	3,881
Goods and services	11,549	(84)	(519)	10,946	10,716	230	97.9%	7,650	7,622
Financial transactions in assets and liabilities	-	1	-	1	1	-	100%	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	-	496	493
Departmental agencies and accounts	28,059	736	-	28,795	28,795	-	100%	27,050	27,050
Universities and technicians	150	-	-	150	150	-	100%	650	650
Public corporations and private enterprises	150	191	-	341	341	-	100%	1,800	1,800
Non-profit institutions	600	-	-	600	600	-	100%	1,582	1,182
Payment for capital assets									
Machinery and equipment	160	68	471	699	699	-	100%	405	425
Software and other intangible assets	-	29	-	29	29	-	100%	28	28
Total	46,887	-	(74)	46,813	46,566	247	99.5%	43,542	43,131



**DETAIL PER PROGRAMME 6 – THEFT AND LOSSES
for the year ended 31 March 2008**

Programme per subprogramme	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 Theft and Losses									
Current payment	-	-	-	-	-	-	-	2	2
TOTAL	-	-	-	-	-	-	-	2	2

Economic Classification	2007/2008							2006/2007	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment									
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	2	2
Total	-	-	-	-	-	-	-	2	2

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2008**

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1 (A-G) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 5 (Financial transactions in assets and



4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	24,467	24,334	133	1%
Saving due to efficient utilisation of operational funding				
Integrated Economic Development services	61,156	61,020	136	0%
Saving due to efficient utilisation of operational funding				
Trade and Industry Development	60,935	59,850	1,085	2%
Saving due to the non transfer of funds to the Cape Ship Repair				
Business Regulation	12,015	11,427	588	5%
Saving due to the non transfer of funds to the Association for responsible Alcohol and Dopstop				
Tourism	46,813	46,566	247	1%

4.2 Per Economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payment:				
Compensation of employees	36,506	36,488	18	0%
Goods and services	45,954	45,309	645	1%
Financial transactions in assets and liabilities	17	17	-	0%
Transfers and subsidies:				
Provinces and municipalities				
Departmental agencies and accounts	41,474	41,474	-	0%
Universities and Technikons	150	150	-	0%
Public corporations and private enterprises	40,261	40,261	-	0%
Non-profit institutions	38,022	36,522	1,500	4%
Households	4	4	-	0%
Payments for capital assets:				
Machinery and equipment	2,969	2,943	26	1%
Software and other intangible assets	29	29	-	0%



Statement of Financial Performance for year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1	205,386	178,661
Departmental revenue	2	3,989	6,565
TOTAL REVENUE		209,375	185,226
EXPENDITURE			
Current expenditure			
Compensation of employees	3	36,488	30,372
Goods and services	4	45,309	37,443
Financial transactions in assets and liabilities	5	17	49
Total current expenditure		81,814	67,864
Transfers and subsidies	6	118,411	105,087
Expenditure for capital assets			
Machinery and equipment	7	2,943	2,519
Software and other intangible assets	7	29	28
Total expenditure for capital assets		2,972	2,547
TOTAL EXPENDITURE		203,197	175,498
SURPLUS		6,178	9,728
SURPLUS FOR THE YEAR		6,178	9,728
Reconciliation of Surplus for the year			
Voted Funds	12	2,189	3,163
Departmental Revenue	13	3,989	6,565
SURPLUS FOR THE YEAR		6,178	9,728

Statement of Financial Position at 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets		2,586	3,440
Cash and cash equivalents	8	2,355	3,000
Prepayments and advances	9	10	379
Receivables	10	221	61
Non-current assets		142,000	142,000
Investments	11	142,000	142,000
TOTAL ASSETS		144,586	145,440
LIABILITIES			
Current liabilities		2,586	3,440
Voted funds to be surrendered to the Revenue Fund	12	2,189	3,163
Departmental revenue to be surrendered to the Revenue Fund	13	335	263
Payables	14	62	14
TOTAL LIABILITIES		2,586	3,440
NET ASSETS		142,000	142,000
Represented by:			
Capitalisation reserve		142,000	142,000
TOTAL		142,000	142,000

Statement of Changes in Net Assets for the year ended 31 March 2008

Capitalisation Reserves

Opening balance	142,000	142,000
Closing balance	142,000	142,000
TOTAL	142,000	142,000



Cash Flow Statement for the year ended 31 March 2008

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		215,932	189,826
Annual appropriated funds received	1.1	205,386	178,661
Departmental revenue received	2	10,546	11,165
Net (increase)/decrease in working capital		257	(180)
Surrendered to Revenue Fund		(13,639)	(11,461)
Current payments		(81,814)	(67,864)
Transfers and subsidies paid		(118,411)	(105,087)
Net cash flow available from operating activities	15	<u>2,325</u>	<u>5,234</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(2,972)	(2,547)
Proceeds from sale of capital assets	2	2	-
Net cash flows from investing activities		<u>(2,970)</u>	<u>(2,547)</u>
Net increase/(decrease) in cash and cash equivalents		(645)	2,687
Cash and cash equivalents at the beginning of the period		3,000	313
Cash and cash equivalents at end of period	16	<u>2,355</u>	<u>3,000</u>



Accounting Policies for the year ended 31 March 2008

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2007.

1. Presentation of the Financial Statements

1.1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.



2.2 Statutory Appropriation

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the statement of financial performance.

Unexpended statutory appropriations are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.3 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.3.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.3.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.3.3 Fines, penalties and forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.3.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.3.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.



2.3.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.3.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

2.4 Direct Exchequer receipts

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

2.5 Local and foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the statement of financial position

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

2.6 CARA Fund assistance

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the statement of financial performance.

Any unspent CARA funds are transferred to Retained Funds as these funds do not need to be surrendered to the National Revenue Fund.



3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance.

All other payments are classified as current expense.

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.1.2 Post retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).



Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5,000 or more is purchased. All assets costing less than R5,000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.



3.8 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the statement of financial position at cost.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any loss is included in the disclosure notes.



4.6 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the statement of financial position at cost.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.8 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset should be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 26 and 27 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Bank overdraft

The bank overdraft is carried in the statement of position at cost.

5.4 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These



5.5 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.6 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.7 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.8 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.9 Lease commitments

Lease commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes. Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.



8. **Related party transactions**

Specific information with regards to related party transactions is included in the disclosure notes.

9. **Key management personnel**

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. **Public private partnerships**

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.



Notes to the Annual Financial Statements for the year ended 31 March 2008

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments :**

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2006/07
	R'000	R'000	R'000	R'000
Administration	24,467	24,467	-	23,078
Integrated Economic Development Services	61,156	61,156	-	47,472
Trade and Industry Development	60,935	60,935	-	54,037
Business Regulation and Governance	12,015	12,015	-	10,530
Tourism	46,813	46,813	-	43,542
Theft and Losses	-	-	-	2
Total	205,386	205,386	-	178,661

2. Departmental revenue

Description

	Note	2007/2008	2006/2007
Tax revenue		4,645	4,218
Sales of goods and services other than capital assets	2.1	308	337
Interest, dividends and rent on land	2.2	6	2
Sales of capital assets	2.3	2	-
Financial transactions in assets and liabilities	2.4	5,587	6,608
Total revenue collected		10,548	11,165
Less: Departmental Revenue Budgeted	13	6,559	4,600
Departmental revenue collected		3,989	6,565

2.1 Sales of goods and services other than capital assets

	2007/2008	2006/2007
Sales of goods and services produced by the department	308	329
Sales by market establishment		
Administrative fees	266	323
Other sales	42	6
Sales of scrap, waste and other used current goods	-	8
Total	308	337



	2007/2008	2006/2007
2.2 Interest, dividends and rent on land		
Interest	6	2
Total	<u>6</u>	<u>2</u>
2.3 Sale of capital assets		
Other capital assets	2	-
Total	<u>2</u>	<u>-</u>
2.4 Financial transactions in assets and liabilities		
Nature of recovery		
Other Receipts including Recoverable Revenue	5,587	6,608
Total	<u>5,587</u>	<u>6,608</u>
3. Compensation of employees		
3.1 Salaries and Wages		
Basic salary	25,249	20,965
Performance award	498	461
Service Based	207	86
Compensative/circumstantial	390	749
Periodic payments	730	692
Other non-pensionable allowances	5,383	4,824
Total	<u>32,457</u>	<u>27,777</u>
3.2 Social contributions		
3.2.1 Employer contributions		
Pension	2,887	1,837
Medical	1,139	753
Bargaining council	5	5
Total	<u>4,031</u>	<u>2,595</u>
Total compensation of employees	<u>36,488</u>	<u>30,372</u>
Average number of employees	<u>260</u>	<u>235</u>



	Note	2007/2008	2006/2007
4 Goods and services			
Advertising		2,481	2,743
Attendance fees (including registration fees)		268	82
Bank charges and card fees		29	62
Bursaries (employees)		191	132
Catering		475	-
Communication		1,768	1,140
Computer services		207	38
Consultants, contractors and special services		27,419	19,723
Courier and delivery services		19	77
Entertainment		43	446
External audit fees	4.1	1,042	719
Equipment less than R5000		597	697
Inventory	4.2	1,029	1,027
Legal fees		12	6
Maintenance, repairs and running costs		95	1,168
Medical Services		13	1
Operating leases		2,501	2,386
Photographic services		12	13
Plant flowers and other decorations		36	69
Printing and publications		945	778
Resettlement costs		67	12
Subscriptions		112	63
Storage of furniture		13	7
Owned and leasehold property expenditure		2	3
Translations and transcriptions		6	10
Transport provided as part of the departmental activities		145	44
Travel and subsistence	4.3	3,956	3,118
Venues and facilities		1,093	1,871
Training & staff development		733	1,008
Total		45,309	37,443
4.1 External audit fees			
Regularity audits		1,042	719
Total		1,042	719
4.2 Inventory			
Parts and other maintenance material		213	92
Stationery and printing		816	935
Total		1,029	1,027



	Note	2007/2008	2006/2007
4.3 Travel and subsistence			
Local		3,322	2,951
Foreign		634	167
Total		3,956	3,118
5 Financial transactions in assets and liabilities			
Material losses through criminal conduct		17	44
-Theft	5.3	17	44
Other material losses written off	5.1	-	3
Debts written off	5.2	-	2
Total		17	49
5.1 Other material losses written off			
Nature of losses			
Vehicle damage		-	3
Total		-	3
5.2 Debts written off			
Nature of debts written off			
Bad Debts		-	2
Total		-	2
5.3 Detail of theft			
Detail of theft			
Office equipment		-	44
Computer equipment		16	-
Cellular phone		1	-
Total		17	44



	Note	2007/2008	2006/2007
6 Transfers and subsidies			
Provinces and municipalities	Annex 1A	-	510
Departmental agencies and accounts	Annex 1B	41,474	39,341
Universities and technikons	Annex 1C	150	2,650
Public corporations and private enterprises	Annex 1D	40,261	32,100
Non-profit institutions	Annex 1E	36,522	30,452
Households	Annex 1F	4	4
Gifts, donations and sponsorships made and remissions, refunds and payments made as an act of grace	Annex 1G	-	30
Total		118,411	105,087

Note: An amount of R300 000 in respect of Departmental Agencies (WESGRO) incorrectly allocated to Non-Profit Institutions

7 Expenditure for capital assets			
Machinery and equipment	26	2,943	2,519
Software and other intangible assets		29	28
Computer software	27	29	28
Total		2,972	2,547

Note: The department has minor assets amounting to R3,179 - (2006/2007: R2,581)

8 Cash and cash equivalents			
Consolidated Paymaster General Account		(7,675)	(1,444)
Cash on hand		4	2
Cash with commercial banks (Local)		10,026	4,442
Total		2,355	3,000

9 Prepayments and advances			
Travel and subsistence		10	5
Advances paid to other entities		-	374
Total		10	379

	Note	Less than one year	One to three years	Older than three years	2007/2008 Total	2006/2007 Total
Staff debtors	10.1	29	11	-	40	13
Other debtors	10.2	109	46	-	155	48
Intergovernmental receivables	Annex 4	26	-	-	26	-
Total		164	57	-	221	61



	Note	2007/2008	2006/2007
10.1 Staff Debtors			
Departmental debt		40	14
Other		-	(1)
Total		40	13
10.2 Other debtors			
Disallowance Damages and Losses		153	46
Sal Tax Debt		1	2
Disallowance Miscellaneous		1	-
Total		155	48
11 Investments			
Non-Current			
Shares and other equity			
Cape Town International Convention Centre		142,000	142,000
Total non-current		142,000	142,000
Analysis of non current investments			
Opening balance		142,000	142,000
Closing balance		142,000	142,000
12 Voted funds to be surrendered to the Revenue Fund			
Opening balance		3,163	399
Transfer from Statement of Financial Performance		2,189	3,163
Paid during the year		(3,163)	(399)
Closing balance		2,189	3,163
13 Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		263	160
Transfer from Statement of Financial Performance		3,989	6,565
Departmental revenue budgeted	2	6,559	4,600
Paid during the year		(10,476)	(11,062)
Closing balance		335	263



14 Payables – current

Description	Note	2007/2008		2006/2007
		30 Days	30+ Days	Total
Clearing accounts	14.1	33	29	14
Total		33	29	14

14.1 Clearing account

Description	2007/2008	2006/2007
Sal Pension fund	7	3
Sal Income Tax	25	11
Sal Medical Aid	1	-
Debt Receivable Income	24	-
Debt Receivable Interest	5	-
Total	62	14

15 Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	6,178	9,728
Add back non cash/cash movements not deemed operating activities	(3,853)	(4,494)
(Increase)/decrease in receivables – current	(160)	166
(Increase)/decrease in prepayments and advances	369	(360)
Increase/(decrease) in payables – current	48	14
Proceeds from sale of capital assets	(2)	-
Expenditure on capital assets	2,972	2,547
Surrenders to Revenue Fund	(13,639)	(11,461)
Other non-cash items	6,559	4,600
Net cash flow generated by operating activities	2,325	5,234

16 Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	(7,675)	(1,444)
Cash on hand	4	2
Cash with commercial banks (Local)	10,026	4,442
Total	2,355	3,000



Disclosure Notes to the Annual Financial Statements for the year ended 31 March 2008

		Note	2007/2008	2006/2007
17 Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	Annex 2	87	87
Claims against the department		Annex 3	50	-
Other departments (interdepartmental unconfirmed balances)		Annex 5	86	264
Total			<u><u>223</u></u>	<u><u>351</u></u>

18 Commitments

Current expenditure				
Approved and contracted			6,405	7,685
Capital expenditure				
Approved and contracted			1,063	292
Total Commitments			<u><u>7,468</u></u>	<u><u>7,977</u></u>

19 Accruals

Listed by economic classification				2007/2008	2006/2007
		30 Days	30+ Days	Total	Total
Compensation of employees	-	145	145	-	
Goods and services	994	998	1,992	196	
Machinery and equipment	207	325	532	45	
Software and other intangible assets	5	-	5	-	
Total	<u><u>1,206</u></u>	<u><u>1,468</u></u>	<u><u>2,674</u></u>	<u><u>241</u></u>	

		Note	2007/2008	2006/2007
Listed by programme level				
Programme 1			1,038	80
Programme 2			343	21
Programme 3			677	101
Programme 4			192	16
Programme 5			279	23
			<u><u>2,529</u></u>	<u><u>241</u></u>
Confirmed balances with other departments	Annex 5		1	-
			<u><u>1</u></u>	<u><u>-</u></u>



	Note	2007/2008	2006/2007
20 Employee benefits			
Leave entitlement		709	380
Thirteenth cheque		1,011	675
Performance awards		653	624
Capped leave commitments		599	617
Total		2,972	2,296

21 Lease Commitments

21.1 Operating leases

	Land	Buildings & other fixed structures	Machinery & equipment	Total
2007/2008				
Not later than 1 year	-	-	325	325
Later than 1 year and not later than 5 years	-	-	153	153
Total present value of lease liabilities	-	-	478	478
2006/2007				
Not later than 1 year	-	-	475	475
Later than 1 year and not later than 5 years	-	-	346	346
Total present value of lease liabilities	-	-	821	821

	2007/2008	2006/2007
22 Receivables for departmental revenue		
Tax revenue	549	573
Total	549	573

23 Related party transactions

During the year the department received services from the following related parties that are related to the department as indicated:

- The department occupied a building provided by the Department of Transport and Public Works free of charge.
- The department used IT related infrastructure provided by the Department of the Premier free of charge.
- The Department has three Public Entities under its control. These are:
 - o Western Cape Investment and Trade Promotion Agency (WESGRO)
 - o The Destination Marketing Organisation (trading as Cape Town Routes Unlimited)
 - o The Western Cape Liquor Board



24 Key management personnel

	No. of Individuals	2007/2008	2006/2007
Level 15 to 16		-	715
Level 14 (incl CFO if at a lower level)	6	2,826	1,656
Total		2,826	2,371

25 Provisions

Provisions

Impairment of investments	77,000	77,000
Total	77,000	77,000

26 Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	4,225	-	2,943	(253)	6,915
Computer equipment	3,080	-	666	(253)	3,493
Furniture and office equipment	803	(93)	1,222	-	1,932
Other machinery and equipment	342	93	1,055	-	1,490
TOTAL TANGIBLE ASSETS	4,225	-	2,943	(253)	6,915

Note: In 2005/2006 the Audio visual and Photographic expenditure for amounts of R66 116.56 and R26 408.80 respectively was reported under Office Furniture and Office Equipment. In terms of the National Treasury Asset management guide, Audio Visual and Photographic equipment are classified under Other Machinery and Equipment.



26.1

ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	Cost	Fair Value/R	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,943	-	-	-	2,943
Computer equipment	666	-	-	-	666
Furniture and office equipment	1,222	-	-	-	1,222
Other machinery and equipment	1,055	-	-	-	1,055
TOTAL	2,943	-	-	-	2,943

26.2

DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Sold for cash	Transfer out or destroy or scrapped	Total disposals	cash Received Actual
Cost	price as	price as per AR	Cost/value	R'000
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	100	153	253	2
Computer equipment	100	153	253	2



26.3

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Additions	Disposals	Closing balance
R'000		R'000	R'000	R'000
MACHINERY AND EQUIPMENT	3,327	2,519	(1,621)	4,225
Transport assets	1,139	482	(1,621)	-
Computer equipment	1,286	1,794	-	3,080
Furniture and office equipment	683	120	-	803
Other machinery and equipment	219	123	-	342

27 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Current balance	Additions year	Disposals	Closing
	R'000	Adjust- ments to prior year balances R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	65	-	29	-	94
TOTAL INTANGIBLE ASSETS	65	-	29	-	94

27.1

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Cash	Non-Cash	(Develop- ment work in progress- current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value/R1 R'000	Cost R'000	Cost R'000	Cost R'000
COMPUTER SOFTWARE	29	-	-	-	29



27.2

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening balance	Additions R'000	Disposals R'000	Closing balance R'000
R'000				
COMPUTER SOFTWARE	37	28	-	65

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2006/07 Division of Revenue Act R'000	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		%
Cape Winelands District Municipality	-	-	-	-	-	-	-	-	-	20
Overberg District Municipality	-	-	-	-	-	-	-	-	-	160
West Coast District Municipality	-	-	-	-	-	-	-	-	-	291
R&CL: Cape Metropolitan	-	-	-	-	-	-	-	-	-	19
	-	-	-	-	-	-	-	-	-	510





**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2006/07 Final Appropriation Act R'000
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
WESGRO	11,300	-	150	11,450	11,450	100%	10,891
Western Cape Tourism Board	23,000	-	5,370	28,370	28,370	100%	27,050
SEDA (Small Enterprise Development Agency)	1,000	-	-	1,000	1,000	100%	1,000
Provincial Development Council	-	-	-	-	-	-	400
SA National Parks	-	-	275	275	275	100%	-
WC: Government Motor Transport	-	-	379	379	379	100%	-
	35,300	-	6,174	41,474	41,474		39,341

Note: An amount of R300 000 in respect of Departmental Agencies (WESGRO) incorrectly allocated to Non-Profit Institutions

ANNEXURE 1C
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2006/07	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Final Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Cape Peninsula University of Technology	1,150	-	(1,000)	150	150	-	100%	2,550	
University of Western Cape	-	-	-	-	-	-	-	100	
	1,150	-	(1,000)	150	150	-	-	2,650	

ANNEXURE 1D
STATEMENT OF TRANSFERS TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2006/07	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital Transferred	Current Appropriation Act	Final
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Casidia (Pty) (Ltd)	18,000	-	11,611	29,611	29,611	100%	-	-	22,600
Council Science and Industry Research (CSIR)	8,000	-	2,500	10,500	10,500	100%	-	-	7,500
Development Bank of SA	930	-	(930)	-	-	-	-	-	2,000
Human Science and Research Council (HSRC)	300	-	(300)	-	-	-	-	-	-
Airports Company	150	-	-	150	150	100%	-	-	-
Total	27,380	-	12,881	40,261	40,261	100%	-	-	32,100





**ANNEXURE 1E
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2006/07 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	
						%	
Transfers							
Breedekloof Wine and Tourism	130	-	-	130	130	100%	109
Cape Africa Platform	900	-	-	900	900	100%	600
Cape Craft and Design Institute	2,220	-	500	2,720	2,720	100%	2,120
Cape Oil and Gas Supply Initiative	-	-	-	-	-	-	3,300
Library Business Corners	-	-	-	-	-	-	250
South African National Parks	-	-	-	-	-	-	250
Calling the Cape	7,500	-	-	7,500	7,500	100%	3,870
Cape Clothing Cluster	-	-	-	-	-	-	1,400
Cape Information and Technology Initiative (CITI)	3,600	-	(800)	2,800	2,800	100%	3,420
Cape Town Boatbuilding and Technology Initiative	800	-	1,000	1,800	1,800	100%	550
Ciotex	1,000	-	-	1,000	1,000	100%	1,900
District Six Museum Foundation	-	-	-	-	-	-	500
FasFacts	-	-	1,000	1,000	1,000	100%	1,000
Furnitech	250	-	-	250	250	100%	175
CPUT	-	-	-	-	-	-	50
Airports Company SA	-	-	-	-	-	-	120

Aquaculture Institute of SA (AISA)	800	(50)	750	750	100%	955
Arts and Media Access Center	-	-	-	-	-	300
Association for Responsible Alcohol (ARA)	500	(250)	250	-	0%	500
Cape Film Commission	3,800	250	4,050	4,050	100%	3,670
Cape Initiative in Materials and Manufacturing	-	-	-	-	-	500
Cape Ship Repair	1,000	-	1,000	-	0%	1,400
Cape Town Fashion Council	2,350	-	2,350	2,350	100%	600
Cape Town Partnership	-	-	-	-	-	500
Fusion Outsourcing	-	-	-	-	-	100
Performing Arts Network of SA (Pansa)	300	-	300	300	100%	185
South Cape College	120	-	120	120	100%	100
Swisscontract SA	-	-	-	-	-	250
VANSA	250	-	250	250	100%	180
West Coast Business Development and Tourism	-	-	-	-	-	23
Western Cape Advice Office Association	-	-	-	-	-	400
Western Cape Musicians Association	200	(200)	-	-	-	175
Western Cape Tooling Initiative	1,500	-	1,500	1,500	100%	1,000
Cape Clothing and Textile Cluster	1,000	-	1,000	1,000	100%	-
Hout Bay Business Opportunities Forum	-	50	50	50	100%	-
Design Indaba	1,000	-	1,000	1,000	100%	-
Proseed (Pty) Ltd	300	-	300	300	100%	-
South African Oil and Gas Alliance	4,400	500	4,900	4,900	100%	-
Cape Music Industry Commission	-	450	450	450	100%	-





Contact Inclusive	-	150	150	150	100%	-
Dopstop	-	250	250	-	0%	-
Khetani	3,000	(3,000)	-	-	-	-
Western Cape Automotive Benchmarking Club	100	(100)	-	-	-	-
Provincial Development Council	200	170	370	370	100%	-
National Productivity SA	-	360	360	360	100%	-
ASNAPP	-	150	150	150	100%	-
Sestkile Wines t/a Indlezane Investments	-	10	10	10	100%	-
Chemrawn XII conference	-	45	45	45	100%	-
Womens International Shipping and Trading association	-	17	17	17	100%	-
WESGRO	-	300	300	300	100%	-
Total	37,220	802	38,022	36,522		30,452

Note: An amount of R300 000 in respect of Departmental Agencies (WESGRO) incorrectly allocated to Non-Profit Institutions

ANNEXURE 1F STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2006/07 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
Transfers	-	-	-	-	-	4
MA Nyepha	-	-	4	4	4	100%
Itumeleng Babedi	-	-	4	4	4	-
Total	-	-	4	4	4	4

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2008

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2007/08	2006/07
	R'000	R'000
Paid in cash		
Manenburg Education and Development	-	30
Sub Total	-	30
Made in Kind		
Computers donated to Schools	132	-
Computers donated to NGO	5	-
Sub total	137	-
TOTAL	137	30





**ANNEXURE 2
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2007	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2008	Guaranteed interest for year ended 31 March 2008	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	Housing	87	87	-	-	-	87	-	-
		87	87	-	-	-	87	-	-
	Total								

**ANNEXURE 3
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2008**

Nature of Liability	Opening Balance 01/04/2007	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31/03/2008
	R'000	R'000	R'000	R'000	R'000
Claims against the department Africonsult (Pty) (Ltd) trading as Club Snap	-	50			50
Total					

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008



ANNEXURE 4
INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
National Department Public Works	-	-	1	-	1	-
National Department Foreign Affairs	-	-	20	-	20	-
National Prosecuting Authority	-	-	1	-	1	-
Provincial Treasury	4	-	-	-	4	-
TOTAL	4	-	22	-	26	-

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Transport and Public Works	1	-	86	235	87	235
Environmental Affairs and Development Planning Premier	-	-	-	28	-	28
	-	-	-	1	-	1
Total	1	-	86	264	87	264



GROW, TRANSFORM, COMPETE, SHARE.



Part Five

Human Resource Management



Annual Report 2007/2008



5 Human resource management

1.1 Service Delivery

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 1.3 Corporate Services				
Registration of tourist guides	Applicant tourist guides	Potential applicants for tourist guide registration	<ul style="list-style-type: none"> 1st time registration completed within 10 days Renewable registration of tourist guides for 45% (renewals every 2nd year) 	<ul style="list-style-type: none"> 1st time registration completed within 7 days Renewable registration of tourist guides for 60% (renewable every 2nd year)
Business support services (new and existing entrepreneurs)	<ul style="list-style-type: none"> Direct: Public new and existing entrepreneurs Indirect: Provincial and Local Government Parastatals, NGO's, NPO, CBO Financial Institutions 	Potential entrepreneurs	<ul style="list-style-type: none"> Currently no dedicated Helpdesk, but there is a dedicated telephone number 	<ul style="list-style-type: none"> Establishment of a Helpdesk in order to create awareness and provide information regarding Red Initiative

Table 1.2 – Consultation arrangements with customers

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
Organised Labour forums	IMLC, Employees within the department	Employees from other department, indirectly affected	Regular meetings and effective consultation on Human Resource related issues
Human Resource Development Forum, Human Rights Focal Unit, Employment Equity Consultative Forum, Internal Social Capital Development Committee and Occupational Health and Safety Committee	Employees within the department and Service Providers	Prospective employees	Various forums were established to facilitate buy-in and decision making on appropriate levels
Newsletters and circulars	Employees within the department, Communities	General public	Various departmental activities were communicated

Table 1.3 – Service delivery access strategy

Access Strategy	Actual achievements
Help desks	Walk in centres, call centres and RED door access points
Flexible hours of work	Increased accessibility through elimination of schedule breaks
Electronic publications	Publications on intranet and Cape Gateway internet portal

Table 1.4 – Service information tool

Types of information tool	Actual achievements
Publications, radio talks, media coverage	Radio talks and media coverage are scheduled from time to time, dealing with issues pertaining to business opportunities and advisory services
Reports, news letters and brochures were published as a tool to communicate with employees and customers of the Department	This is an ongoing process that improves continuously

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual achievements
Office of the consumer protector	Attend to consumer-related complaints with the aim of settling the complaint
A system of performance management was utilised to measure the actual performance and service delivery of employees on all levels	
Consultative forums.	The evaluation of performance outputs through Departmental moderating moderating committees. Excellent performance outputs was rewarded, and poor performances identified for redress



6.2 Expenditure

TABLE 2.1 – Personnel costs by programme, 2007/2008

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Administration	24 334	13 047	674	3 846	53.6%	176
Integrated Economic Development Services	61 020	7 148	123	8 444	11.7%	246
Trade and Industry Development	59 850	5 867	43	6 258	9.8%	345
Business Regulation and Governance	11 427	5 191	78	2 448	45.4%	200
Tourism	46 566	5 235	76	6 402	11.2%	291
Total	203 197	* 36 488	994	27 398	18.0%	222

* The difference in totals relates to the fact that the personnel expenditure in table 2.1 includes BAS and NAPS payments.

TABLE 2.2 – Personnel costs by salary bands, 2007/2008

Salary bands	Personnel Expenditure (R'000)	% of Total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	66	0.2%	66
Skilled (Levels 3-5)	2 894	9.0%	83
Highly skilled production (Levels 6-8)	8 131	25.2%	148
Highly skilled supervision (Levels 9-12)	14 559	45.2%	243
Senior management (Levels 13-16)	6 559	20.4%	505
Total	* 32 211	100%	1 044



TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2007/2008

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Administration	8 474	65.0%	30	0.2%	198	1.5%	527	4.0%
Integrated Economic Development Services	4 521	63.3%	2	0.0%	107	1.5%	184	2.6%
Trade and Industry Development	2 926	50.0%	0	0%	84	1.4%	96	1.6%
Business Regulation and Governance	3 481	67.1%	1	0.0%	67	1.3%	202	3.9%
Tourism	3 176	60.7%	0	0%	109	2.1%	118	2.3%
Total	22 578	61.9%	33	0.1%	565	1.6%	1 127	3.1%

TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2007/2008

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	43	0.1%	0	0.0%	1	0.0%	11	0.0%
Skilled (Levels 3-5)	2 062	0.1%	9	0.0%	28	0.0%	225	0.0%
Highly skilled production (Levels 6-8)	6 092	0.1%	17	0.0%	92	0.0%	409	0.0%
Highly skilled supervision (Levels 9-12)	10 608	0.1%	7	0.0%	181	0.0%	382	0.0%
Senior management (Levels 13-16)	3 773	0.1%	0	0.0%	263	0.0%	100	0.0%
Total	22 578	0.1%	33	0.0%	565	0.0%	1 127	0.0%



1.3 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

The vacancy rate reflects the percentage of posts that are not filled.

TABLE 3.1 – Employment and vacancies by programme, 31 March 2008

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration	92	74	19.57%	0
Integrated Economic Development Services	37	29	21.62%	0
Trade and Industry Development	23	17	26.09%	0
Business Regulation and Governance	34	26	23.53%	0
Tourism	26	18	30.77%	0
Total	212	164	22.64%	0

TABLE 3.2 – Employment and vacancies by salary bands, 31 March 2008

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	1	1	0%	0
Skilled (Levels 3-5)	46	35	23.90%	0
Highly skilled production (Levels 6-8)	66	55	16.70%	0
Highly skilled supervision (Levels 9-12)	82	60	26.80%	0
Senior management (Levels 13-16)	17	13	23.50%	0
Total	212	164	22.64%	0



TABLE 3.3 – Employment and vacancies by critical occupation, 31 March 2008

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
Total	0	0	0	0

1.4 Job evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

TABLE 4.1 – Job Evaluation, 01 April 2007 to 31 March 2008

Salary band	Number of posts	Number of jobs evaluated	% of Posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of Posts evaluated	Number	% of Posts evaluated
Lower skilled (Levels 1-2)	1	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	46	0	0%	0	0%	0	0%
Highly skilled production (Levels 6-8)	66	5	7.60%	5	100%	0	0%
Highly skilled supervision (Levels 9-12)	82	8	9.80%	2	25%	0	0%
Senior Management Service Band A	13	0	0%	0	0%	0	0%
Senior Management Service Band B	3	0	0%	0	0%	0	0%
Senior Management Service Band C	1	0	0%	0	0%	0	0%
Senior Management Service Band D	0	0	0%	0	0%	0	0%
Total	212	13	6.10%	7	53.80%	0	0%



TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 01 April 2007 to 31 March 2008

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

Note: The above table excludes vacant posts that were regarded.

TABLE 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 01 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
DEPUTY DIRECTOR	1	11	12	COUNTER OFFER
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2006/07				1
Percentage of total employment				0.2%

TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 01 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	1	0	1
Male	0	0	0	0	0
Total	0	0	1	0	1

Employees with a disability

None



1.5 Employment changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These "critical occupations" should be the same as those listed in Table 3.3).

TABLE 5.1 – Annual turnover rates by salary band for the period 01 April 2007 to 31 March 2008

Salary Band	Number of employees per band as on 1 April 2007	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	1	0	0	0%
Skilled (Levels 3-5)	29	20	9	31.03%
Highly skilled production(Levels 6-8)	43	17	7	16.28%
Highly skilled supervision(Levels 9-12)	37	22	5	13.51%
Senior Management Service Band A	6	2	1	16.67%
Senior Management Service Band B	2	0	1	50%
Senior Management Service Band C	0	0	0	0%
Senior Management Service Band D	0	0	0	0%
Total	118	61	23	19.49%

TABLE 5.2 – Annual turnover rates by critical occupation for the period 01 April 2007 to 31 March 2008

Occupation:	Number of employees per occupation as on 1 April 2007	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Total	0	0	0	0%

Table 5.3 – Reasons why staff are leaving the Department

Termination Type	Number	% of Total
Resignation	8	16%
Expiry of contract	21	42%
Transfers to other Public Service Departments	21	42%
Total	50	100%
Total number of employees who left as a % of the total employment		42.37%



Table 5.4 – Promotions by critical occupation

Occupation	Employees as at 01 April 2007	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Total	0	0	0%	0	0%

Table 5.5 – Promotions by salary band

Salary Band	Employees 01 April 2007	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	1	0	0%	1	100%
Skilled (Levels 3-5)	29	2	6.90%	12	41.40%
Highly skilled production (Levels 6-8)	43	8	18.60%	39	90.70%
Highly skilled supervision (Levels 9-12)	37	16	43.24%	22	59.46%
Senior management (Levels 13-16)	8	3	37.50%	2	25%
Total	118	29	24.58%	76	64.41%



1.6 Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2008

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	4	2	0	1	0	4	2	0	13
Professionals	10	16	0	4	7	16	0	7	60
Technicians and associate professionals	9	8	0	0	10	21	0	7	55
Clerks	2	8	1	0	11	13	1	0	36
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	25	34	1	5	28	54	3	14	164
Employees with disabilities	1	0	0	0	0	0	0	0	1



6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	4	2	0	1	0	4	2	0	13
Professionally qualified and experienced specialists and mid-management	10	16	0	4	7	16	0	7	60
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	8	0	0	10	20	1	7	55
Semi-skilled and discretionary decision making	2	8	1	0	11	13	0	0	35
Unskilled and defined decision making	0	0	0	0	0	1	0	0	1
Total	25	34	1	5	28	54	3	14	164

6.3 – Recruitment for the period 01 April 2007 to 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	1	1	0	0	0	0	1	0	3
Professionally qualified and experienced specialists and mid-management	9	3	0	2	2	9	0	2	27
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	0	4	1	0	0	11
Semi-skilled and discretionary decision making	1	4	0	0	4	4	0	0	13
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	17	8	0	2	10	14	1	2	54

Note: The above excludes transfers into the Department.

Employees with disabilities 1



6.4 – Promotions for the period 01 April 2007 to 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	0	1	1	0	3
Professionally qualified and experienced specialists and mid-management	5	4	0	0	0	5	0	2	16
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	1	0	0	1	3	0		8
Semi-skilled and discretionary decision making	0	2	0	0	0	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	9	7	0	0	1	9	1	2	29

Employees with disabilities	1	0	0	0	0	0	0	0	1
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6.5 – Terminations for the period 01 April 2007 to 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	1	1	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	3	3	0	0	2	5	0	2	15
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	2	0	0	0	3	0	3	9
Semi-skilled and discretionary decision making	5	7	0	0	3	6	1	0	22
Unskilled and defined decision making	2	0	0	0	0	0	0	0	2
Total	12	13	0	0	5	14	1	5	50

Employees with disabilities	0	0	0	0	0	0	0	0	0
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6.6 – Disciplinary action for the period 01 April 2007 to 31 March 2008

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	0	0	0	0	0	0	0	0	0

6.7 – Skills development for the period 01 April 2007 to 31 March 2008

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	2	0	1	1	5	1	0	13
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	14	25	0	3	11	25	0	8	86
Clerks	10	15	1	0	11	28	0	4	69
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	27	42	1	4	23	58	1	12	168
Employees with disabilities	1	0	0	0	0	0	0	0	1



1.7 Performance rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (Table 7.2) and critical occupations (Table 7.3).

TABLE 7.1 – Performance Rewards by race, gender, and disability, 01 April 2007 to 31 March 2008

		Beneficiary Profile			Cost (R'000)	
		Number of beneficiaries	Total number of employees in group	% of Total within group	Cost	Average cost per employee
African		2	53	3,77%	29	15
Male		2	25	8%	29	15
Female		0	28	0%	0	0
Asian		1	4	25,1%	28	28
Male			1	0%	0	0
Female		1	3	33,3%	28	28
Coloured		22	88	24,18%	262	12
Male		9	34	26,5%	110	12
Female		13	54	24,07%	152	12
White		10	19	52,63%	161	16
Male		1	5	20,00%	23	23
Female		9	14	64,29%	138	15
Employees with a disability		0	1	0%	0	0
Total		35	164	21,34%	480	14

TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 01 April 2006 to 31 March 2007

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of Total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	0	0	0%	0	0	0%
Skilled (Levels 3-5)	6	36	16,70%	36	1000	0,10%
Highly skilled production (Levels 6-8)	15	55	27,30%	168	3054,55	0,46%
Highly skilled supervision (Levels 9-12)	14	60	23,30%	276	4600,00	0,76%
Total	35	151	18%	480	3178,81	1,32%



TABLE 7.3 – Performance Rewards by critical occupations, 01 April 2007 to 31 March 2008

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee

Note: No post listed as critical.

TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	0	11	0%	0	0	0%
Band B	0	2	0%	0	0	0%
Band C	0	0	0%	0	0	0%
Band D	0	0	0%	0	0	0%
Total	0	13	0%	0	0	0%



1.8 Foreign workers

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

TABLE 8.1 – Foreign Workers, 01 April 2007 to 31 March 2008, by salary band

Salary Band	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0 %	0	0%	0	0%
Skilled (Levels 3-5)	0	0 %	0	0%	0	0%
Highly skilled production (Levels 6-8)	0	0 %	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	0	0 %	0	0%	0	0%
Senior management (Levels 13-16)	0	0 %	0	0%	0	0%
Total	0	0 %	0	0%	0	0%

TABLE 8.2 – Foreign Workers, 01 April 2007 to 31 March 2008, by major occupation

Major Occupation	01 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% change
	0	0 %	0	0%	0	0%
	0	0 %	0	0%	0	0%
	0	0 %	0	0%	0	0%
	0	0 %	0	0%	0	0%
	0	0 %	0	0%	0	0%
Total	0	0 %	0	0%	0	0%



1.9 Leave utilisation for the period 01 January 2007 to 31 December 2007

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

TABLE 9.1 – Sick leave, 01 January 2007 to 31 December 2007

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	10	71,43%	3	100%	3	1
Skilled (Levels 3-5)	217	72,59%	38	118,75%	6	50
Highly skilled production (Levels 6-8)	281	78,57%	49	108,89%	6	107
Highly skilled supervision (Levels 9-12)	176	75,70%	41	36,61%	4	75
Senior management (Levels 13-16)	26	86,96%	9	50%	3	2
Total	710	76,39%	140	66,35%	5	237

TABLE 9.2 – Disability leave (temporary and permanent), 01 January 2007 to 31 December 2007

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0
Skilled (Levels 3-5)	0	0%	0	0%	0	0
Highly skilled production (Levels 6-8)	0	0%	0	0%	0	0
Highly skilled supervision (Levels 9-12)	0	0%	0	0%	0	0
Senior management (Levels 13-16)	0	0%	0	0%	0	0
Total	0	0%	0	0%	0	0



Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 9.3 – Annual Leave, 01 January 2007 to 31 December 2007

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	51	17
Skilled (Levels 3-5)	696	12
Highly skilled production (Levels 6-8)	1046	17
Highly skilled supervision (Levels 9-12)	960	15
Senior management (Levels 13-16)	184	14
Total	2937	14

TABLE 9.4 – Capped leave, 01 January 2007 to 31 December 2007

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2007
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	9	4	2
Highly skilled production (Levels 6-8)	18	3	11
Highly skilled supervision (Levels 9-12)	29	2	20
Senior management (Levels 13-16)	6	2	5
Total	62	11	38

TABLE 9.5 – Leave payouts for the period 01 April 2007 to 31 March 2008

The following table summarises payments made to employees as a result of leave that was not taken.

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2007/08 due to 20 years service	5	1	5
Capped leave payouts on termination of service for 2007/08	0	0	0
Current leave payout on termination of service for 2007/08	36	4	9
Total	41	5	8



1.10 HIV and AIDS & health promotion programmes

TABLE 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Specific categories of staff were not identified. All staff should be regarded as being at a high risk of contracting HIV and related diseases.	<p>Display of posters, banners, pamphlets and brochures.</p> <p>Distribution of condoms among staff.</p> <p>Special advocacy arrangements designed for commemorative days.</p> <p>VCT sessions.</p>

TABLE 10.2 – Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		External: The designated employee Ms J. Johnston
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		<p>Three staff members within the Directorate: HRM & SS are responsible for the promotion of this programme internally.</p> <p>Two staff members are responsible for promotion externally.</p>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		<p>A service provider has been appointed to facilitate the Departmental Employee Assistance Programme. The EAP provides the following services:</p> <p>Professional Support Line Services</p> <p>Life Management Services</p> <p>Face-to-Face Counselling Services</p> <p>Managerial Consultancy Services</p> <p>Account Consultancy Services</p> <p>Communications Consultancy Services</p> <p>Monitoring, reporting, consultation and evaluation services</p> <p>The Department hosted 2 EHW days to promote physical health and well-being.</p>



<p>4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	<p>√</p>		<p>The Department established a Human Rights Focal Unit, which consists of 10 members. The budget for this purpose forms part of the operational budget of the Directorate and therefore cannot be separately reflected.</p>
<p>5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	<p>√</p>		<p>Provincial policies are used and reviewed by the Department of the Premier.</p>
<p>6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.</p>	<p>√</p>		<p>No employees have disclosed positive HIV status yet.</p> <p>Treatment care and support interventions can only be introduced once the department becomes aware of positive status.</p> <p>However, measures are in place to protect those who are perceived to be HIV positive</p>
<p>7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.</p>	<p>√</p>		<p>Voluntary Counselling and Testing was advocated.</p>
<p>8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.</p>	<p>√</p>		<p>Yes. The utilization of the employee Assistance Programme is monitored by the contracted service provider, and currently stands at 20,5%</p>



1.11 Labour relations

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

TABLE 11.1 – Collective agreements, 01 April 2007 to 31 March 2008

Subject Matter	Date
NONE	NONE

If there were no agreements, then use the following table

Total collective agreements	NONE
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The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

TABLE 11.2 – Misconduct and disciplinary hearings finalised, 01 April 2007 to 31 March 2008

Disciplinary hearings – 2007/08	None
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TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Fraud	0	0%
Poor performance and absenteeism	0	0%
Total	0	0%

TABLE 11.4 – Grievances lodged for the period 01 April 2007 to 31 March 2008

	Number	% of Total
Number of grievances resolved	1	33.33%
Number of grievances not resolved	2	66.67%
Total number of grievances lodged	3	100%

TABLE 11.5 – Disputes lodged with Councils for the period 01 April 2007 to 31 March 2008

	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged		0%



TABLE 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Fraud	0	0%
Poor performance and absenteeism	0	0%
Total	0	0%

TABLE 11.4 – Grievances lodged for the period 01 April 2007 to 31 March 2008

	Number	% of Total
Number of grievances resolved	1	33.33%
Number of grievances not resolved	2	66.67%
Total number of grievances lodged	3	

TABLE 11.5 – Disputes lodged with Councils for the period 01 April 2007 to 31 March 2008

	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged		

TABLE 11.6 – Strike actions for the period 01 April 2007 to 31 March 2008

Total number of person working days lost		
Total cost (R'000) of working days lost		8
Amount (R'000) recovered as a result of no work no pay		11

TABLE 11.7 – Precautionary suspensions for the period 1 April 2007 to 31 March 2008

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



TABLE 11.6 – Strike actions for the period 01 April 2007 to 31 March 2008

Total number of person working days lost		8
Total cost (R'000) of working days lost		11
Amount (R'000) recovered as a result of no work no pay		11

TABLE 11.7 – Precautionary suspensions for the period 1 April 2007 to 31 March 2008

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



1.12 Skills development

This section highlights the efforts of the Department with regard to skills development.

12.1 – Training needs identified 1 April 2007 to 31 March 2008

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of reporting period			
			Leaverships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	0	0	0
	Male	4	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	50	0	144	0	144
	Male	27	0	95	0	95
Clerks	Female	24	0	77	0	77
	Male	8	0	60	0	60
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	1	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	79	0	0	0	0
	Male	39	0	0	0	0
Total		118		376	0	376



12.2 – Training provided 01 April 2007 to 31 March 2008

Occupational Categories	Gender	Number of employees as at 31 March 2008	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	10	0	10
	Male	7	0	9	0	9
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	44	0	148	0	148
	Male	39	0	92	0	92
Clerks	Female	49	0	143	0	143
	Male	19	0	77	0	77
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	99	0	0	0	0
	Male	65	0	0	0	0
Total		164	0	479	0	479

Note: The above reflex all training interventions. Some employees attended more than one training intervention in the report year.



TABEL 12.3 – Bursary Programme, 01 April 2007 to 31 March 2008

	Beneficiary Profile			Level of Qualification				Academic Level			
	Number of beneficiaries	Total number of employees in Group	% of Total within group	NQF 8	NQF 7	NQF 6	NQF 5	NQF 4	First Qualification	First Qualification	First Qualification
African	8	53	15.1%	1	6	1	0	0	1	6	1
Male	4	25	16%	0	3	1	0	0	1	3	0
Female	4	28	14.3%	1	3	0	0	0	0	3	1
Indian	0	1	0%	0	0	0	0	0	0	0	0
Male	0	1	0%	0	0	0	0	0	0	0	0
Female	0	3	0%	0	0	0	0	0	0	0	0
Coloured	19	91	21%	2	2	14	0	1	15	2	2
Male	5	34	14.7%	1	0	4	0	0	4	0	1
Female	14	54	26%	1	2	10	0	1	11	2	1
White	2	19	10.5%	0	1	1	0	0	1	1	0
Male	0	5	0%	0	0	0	0	0	0	0	0
Female	2	14	14.3%	0	1	1	0	0	1	1	0
Employees with a disability	0	1	0%	0	0	0	0	0	0	0	0
Total	29	164	17.7%	3	9	16	0	1	17	9	3



TABLE 12.4 – Departmental Internship Programme, 01 April 2007 tot 31 March 2008

Level of Qualification	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
NGF LEVEL 7	4	1	0	0	1	2	0	0	8
NGF LEVEL 6	6	2	0	0	13	3	0	0	24
NGF LEVEL 5	0	0	0	0	0	1	0	0	1
NGF LEVEL 4	0	0	0	0	1	1	0	0	2
TOTAL	10	3	0	0	15	7	0	0	35
Employees with a disability	2	0	0	0	0	0	0	0	2



1.13 Injury on duty

The following tables provide basic information on injury on duty.

TABLE 13.1 – Injury on duty, 01 April 2007 to 31 March 2008

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0%
Temporary total disablement	0	0%
Permanent disablement	0	0%
Fatal	0	0%
Total	0	0%



1.14 Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Consultant Name	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Design, Edit, Layout, Translate, Proofread, and print the Department's Annual Report for 2006/2007:	Amazon Media	6	11 May 2007 – until completion of project (11/03/2008)	R 289 533.78
Recruitment of a project administrator for the Tourism Business Management Programme:	KMA Consulting	4	1 June 2007 – 31 May 2008	R 1 714 614.98
Recruitment of a contractor to manage and implement the Department's Tourism Helpdesk Programme:	KMA Consulting	4	1 June 2007 – 31 May 2008	R 1 077 305.70
Recruitment of a consultant to consolidate and develop integrated marketing and communication strategy and implement identified for the Chief Directorate: Economic Participation and the Red Door Centres:	BEHP	4	August 2007 – until completion of project	R 230 000.00
Recruitment of a contractor to manage and implement the Tourism Mentorship Programme of the Department and Fellow Tourism Business Forum (TBF) Partners:	Kiara Consulting	2	1 August 2007 – 1 June 2008	R 650 000.00
Recruitment of a contractor to manage and	Leelyn Management	4	1 August 2007 -1	R 650 000.00



Implement the Fast Track Programme for the Department of Economic Development and Tourism:			June 2008	
Sector specific consultant for input into the 4 th round of the MEDS process and the development of the MEDS creative industries:	Delecia Forbes Consulting	1	1 June 2007 – 30 November 2007, 1-30 November & 1 December 2007 – 30 August 2008	R 216 000.00 + R 32 000.00 & R 357 000.00
ITDF review		Not identified	1.53%	R 484 500.00
Supplier for the publicity and advertisement for EDT projects and Red Door success stories:	Big News	Not identified	1 March 2008 – until completion of project	R 235 282.32
Project Manage the disbursement of funds and management of mentors for the Co-operative Mentorship Voucher Programme:	CASIDRA	Not identified	15 October 2007 – until completion	R 500 000.00
Procure the services of ArtCape to proceed with the second phase of Creative Streets in the community of Nyanga Community:	Artscape	Not identified	December 2007 – 31 March 2008	R 252 850.00
Recruitment of a service provider to conduct an Institutional Review Process:	ODA	7	1 March 2007 – 31 July 2007	R 1 140 000.00
Skills development intervention that strengthens the impact of the National Skills Fund Allocation to this and the oil/gas sector:	Cape Ship Repair Initiative	Not identified	15 March 2007 – 31 July 2007	R 350 000.00
Facilitate and implement the first phase of the Creative Street	Proudly Manenberg Organisation	Not identified	July 2007 – 31 March 2008	R 75 000.00



Initiative:				
Single source bid to procure the services of Proudly Manenberg Organisation to facilitate and implement the first phase of the Creative Streets Initiative	Proudly Manenberg Organisation	Not identified	December 2006 – 31 March 2007	R 200 000.00
MEDS Project Manager:	Wendy Arendse	1	February – June 2008	R 46 000.00
Red Campus needs analysis:	CPUT	Not identified	March 2008- June 2008	R 120 000.00
Red Support Network:	Siyakhula Technologies	Not identified	25 March 08- 25 July 08	R 388 740.00
Red Tracker:	Senzenina Consultants	Not identified	19 March 08- 30 June 08	R 480 000.00
Oversight Committee Members for the 5 th round of MENDS :	Michael Morris	1	19 March 08- 31 March 09	R 169 000.00
Oversight Committee Members for the 5 th round of MENDS :	Reza Daniels	1	19 March 08- 31 March 09	R 130 000.00
Oversight Committee Members for the 5 th round of MENDS :	Jo Lurencio	1	19 March 08- 31 March 09	R 243 937.20
Chief Economist for the 5 th round of MENDS:	Prof. Dave Kaplan	1	19 March 08- 31 March 09	R 390 000.00
Side analysis for the 4 priority sectors, and to expand the analysis to Boatbuilding	Centre For Extended Learning	Not identified	01 Feb 08- 26 March 08	R 600 000.00
Human Resource Plan:	Work Dynamics			R 343 000.00



Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Consultant Name	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Design, Edit, Layout, Transtate, Proofread, and print the Department's Annual Report for 2006/2007:	Amazon Media	14%	-	N/A
Recruitment of a project administer for the Tourism Business Management Programme:	KMA Consulting	7%	-	N/A
Recruitment of a contractor to manage and implement the Departments Tourism Helpdesk Programme:	KMA Consulting	7%	-	N/A
Recruitment of a consultant to consolidate and develop integrated marketing and communication strategy and implement identified for the Chief Directorate: Economic Participation and the Red Door Centres:	BEHP	25%	-	N/A
Recruitment of a contractor to manage and implement the Tourism Mentorship Programme of the Department and Fellow Tourism Business Forum (TBF) Partners:	Kiara Consulting	100%	100%	2
Recruitment of a contractor to manage and implement the Fast Track Programme for the Department of Economic Development and Tourism:	Leelyn Management	100%	100%	4



Sector specific consultant for input into the 4 th round of the MEDS process and the development of the MEDS creative industries:	Delecia Forbes Consulting	100%	100%	1
ITDF review		1.53%	1.53%	2
Supplier for the publicity and advertisement for EDT projects and Red Door success stories:	Big News	-	-	N/A
Project Manage the disbursement of funds and management of mentors for the Co-operative Mentorship Voucher Programme:	CASIDRA	-	-	-
Procure the services of Artscape to proceed with the second phase of Creative Streets in the community of Nyanga Community:	Artscape	-	-	-
Recruitment of a service provider to conduct an Institutional Review Process:	ODA	-	-	-
Skills development intervention that strengthens the impact of the National Skills Fund Allocation to this and the oil/gas sector:	Cape Ship Repair Initiative	-	-	-
Facilitate and implement the first phase of the Creative Street Initiative:	Proudly Manenberg Organisation	-	-	-

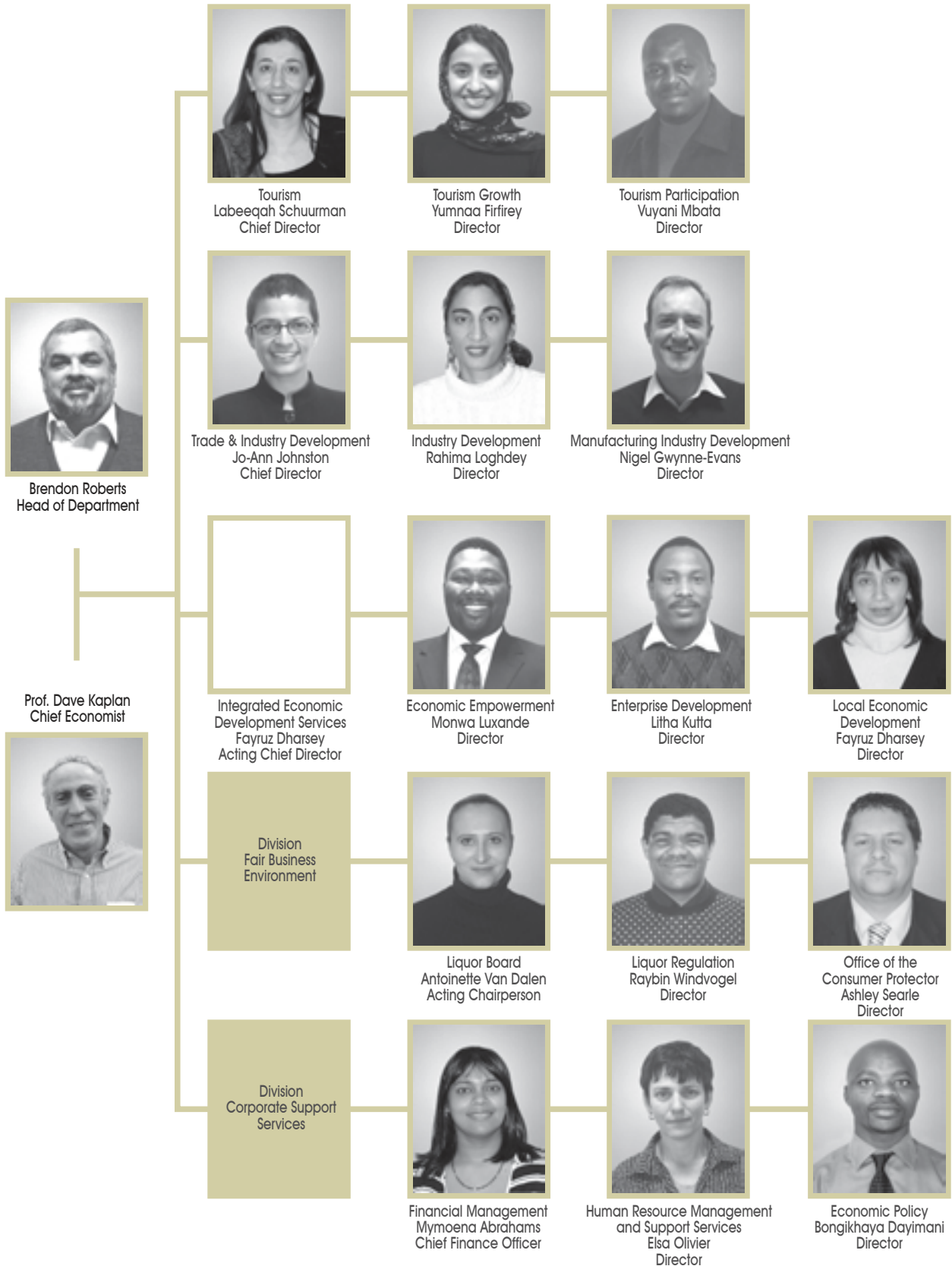


Single source bid to procure the services of Proudly Manenberg Organisation to facilitate and implement the first phase of the Creative Streets Initiative	Proudly Manenberg Organisation	-	-	-
MEDS Project Manager:	Ms Wendy Arendse	100%	100%	1
Red Campus needs analysis:	CPUT	-	-	-
Red Support Network:	Siyakhula Technologies	100%	100%	-
Red Tracker:	Senzenina Consultants	100%	100%	-
Oversight Committee Members for the 5 th round of MEDS :	Michael Morris	-	-	-
Oversight Committee Members for the 5 th round of MEDS :	Reza Daniels	100%	100%	-
Oversight Committee Members for the 5 th round of MEDS :	Jo Lurencio	-	-	-
Chief Economist for the 5 th round of MEDS	Prof Dave Kaplan	-	-	-
Side analysis for the 4 priority sectors, and to expand the analysis to Boatbuilding	Centre For Extended Learning	-	-	-
Human Resource Plan:	Work Dynamics	37%	-	-



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Sector Bodies - helping to deliver the MEDS

Since the finalisation of the MEDS sector strategies in 2005/06, significant progress has been made in building a solid foundation for an increase in growth, competitiveness and transformation within the targeted MEDS sectors. There are currently 12 MEDS sector strategies that have been developed within the Programme.

One of the key components of the MEDs is that of dialogue with industry and other stakeholders to ensure that the sector strategies have resonance, relevance and impact with our stakeholders and in the industry. A robust interaction ensures that there is buy-in by the stakeholders into the sector strategies. There are currently 16 Sector Bodies which provide this platform of dialogue, in addition to being the principal implementation vehicle for the MEDS interventions and strategies.

NAME OF BODY	SECTOR
Cape Craft Design Initiative	Craft
Cape Bio-tech Trust	Bio-Tech
Cape Town Boat Building	Boatbuilding
Calling the Cape	Call Centres
Cape Music Industry (CapeMIC)	Music Industry
CLOTEX	Clothing
Cape Clothing & Textile Cluster	Clothing
CT Fashion Council	Fashion
Cape Film Commission	Film
Cape IT Initiative (CITI)	IT
AISA (Aquaculture Institute of SA)	Mariculture
Cape Initiative in Materials & Man. (CIMM)	Materials
South African Oil & Gas Alliance (SAOGA)	Oil & Gas
Performing Arts Network SA (PANSA)	Performing Arts
WC Tooling Initiative (WCTi)	Tooling
Visual Arts Network SA (VANSA)	Visual Arts

Ten of these Sector Bodies or Special Purpose Vehicles are relatively well-established and in tracking their progress, they collectively have a membership of 4 077 companies and stakeholders, within the context of an approximately 7 400 companies which operate within their targeted industries. The Provincial Government is therefore effectively reaching a considerable proportion of the targeted industry through the sector bodies. In addition, these member companies represent nearly 30% of the targeted industries workforce, underlying the fact that a large proportion of the members tend to be smaller companies. Of the total membership of the Sector Bodies, 1 762 members or 43% are BEE enterprises.

One of the major aims of these SPVs is to nurture and forge collaboration and cooperation between stakeholders within their respective industries, and to increase awareness of industry developments locally, nationally and internationally. Over the course of three years, 634 events have been hosted by the SPVs, with nearly 30 000 participants attending the various industry events. In addition, in sharing information and research, 1 123 newsletters or the equivalent have been developed and distributed to the respective industries via the databases of the sector bodies, which extend well beyond the membership list.

In promoting the respective industries, there have been more than 842 008 website page impressions in the last financial year and through a standardised formula of calculating the rand value of media coverage, the sector bodies have solicited R20 776 346,00 worth of media coverage in various newspaper articles in the local, national and international press since 2005/06. This is a vital output in heightening awareness of the competitiveness of the MEDS industries and the Western Cape in general.



There are only three SPVs which promote foreign direct investment, namely CallingtheCape, SAOGA and the Cape Film Commission. However, there are a number of projects which are actively facilitated by SPVs should the investment opportunity present itself. The total value of investments facilitated by the SPVs since 2006 is R1.2 billion, arising from 145 investments.

Advocacy and stakeholder relationship building with the objective of improving regulatory constraints is an important aspect of the work of the SPVs. Consequently, 576 person days have been spent by the major SPVs in 2007/08 to facilitate an enhanced regulatory environment for their respective sectors.

The Sector Programme has helped 2233 Small and Medium Sized companies in 2007/08 (7491 since 2004/05), and examples of some of the best practice initiatives include the Bandwidth Barn which is an incubator for ICT entrepreneurs and Clotex, the CMT body which focuses on assisting the smaller CTM players in improving their productivity and access to contracts.

There is a significant emphasis on transformation and support to BEE companies, and of the nearly 7500 SMEs assisted over the last 4 years, 4790 were BEEs. The Department, in our commitment to increase the proportion of BEE accessing our services, has introduced initiatives like the Cape Craft and Design Mobile which is an outreach programme of the sector body to provide assistance in the rural areas of the Province and the development of Economic or Business Precincts in communities such as Nyanga and Manenberg, using the MEDS sectors as a catalyst for economic activity.

The MEDS looks at matching skills demand with labour supply, namely the provision of skills in the quantity and quality which industry requires. This not only ensures that we maximise growth but more importantly that we ensure we maximise job creation opportunities. In promoting competitiveness and in addressing the employment equity aspect of transformation, a primary focus within the MEDS Phase 1 has been on skill and workforce development, and this is evident in tracking the SPV results over the last three years. Collectively, the major SPVs trained 8 230 people since 2005/06. The large majority of these were Previously disadvantaged individuals. In undertaking their skills interventions, the sector strategies have introduced unique programmes such as the CallingtheCape Cadet programme and the CallingtheCape Campus, the Film Industry's Runway which is a skills and enterprise training and resource centre, the Boat Building Academy which is training 90 learners, and the Oil and Gas Skills Hub which has over 300 artisans been upskilled and/or trained with a placement rate of 90% in jobs.

Innovation is a theme which we will be increasingly focusing on in the future, with the Department laying solid foundations for greater partnerships between stakeholders (including academia) as well as the necessary enabling infrastructure which facilitates collaboration. To this end, one highly successful project that has already been implemented is the CCDI Fabrication Laboratory or Fablab as it is more commonly known, which encourages the application of design principles around functionality, production efficiency and innovation and to deepen design integration in the craft sector. It allows digital manufacturing processes to be accessible to crafters, and as such it attracts just less than 200 crafters, designers and students monthly. The SPVs are initiating further tentative programmes around innovation and productivity improvements, and the total number of companies which have benefited from these programmes for innovation and productivity in 2007/08 were 17 and 142 respectively.

Of the total revenue obtained by the Sector Bodies to carry out their sector strategies, in 2007/08, the Department contributed R26,9 million or 57% towards the total SPV budget of R46,2 million. Private sector contributed R3.8 million in 2005/06, R4 million in 2006/07 and R8.4 million in 2007/08. The City of Cape Town allocated R6.5 million for 2007/08, with their contribution as an overall percentage declining from 22% in 2005/06 to 14% in 07/08. As private sector is the second largest funder of the MEDS projects, it is apparent that there is a significant buy-in by private sector into the relevance of the Micro-Economic Development Strategy. We are expecting that there will be an even greater contribution from the private sector and national government in going forward as the Department and the SPVs forge closer relationships with the dti and other national stakeholders.