

PROVINCIAL GOVERNMENT
OF THE WESTERN CAPE

DEPARTMENT OF ECONOMIC
DEVELOPMENT AND TOURISM

2010/11

Annual Report | Jaarverslag | Ingxelo yoNyaka

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List of Abbreviations

A

ADR	Alternative Dispute Resolution
AFDA	Academy for Film, Television, and Dramatic Art
AFS	Annual Financial Statement
AMTS	Advanced Manufacturing and Technological Strategy
AOPI	Audit of Performance Information
APP	Annual Performance Plan
ARA	Association for Responsible Alcohol Use
ASRU	Aids and Society Research Unit

B

BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Development
BEE Act	Broad-Based Black Economic Empowerment Act
BER	Bureau for Economic Research
BPeSA	Business Process enabling South Africa
BPO	Business Process Outsourcing
BPO & O	Business Process Outsourcing & Off-shoring
BWB	Bandwidth Barn

C

CASIDRA	Cape Agency for Sustainable Integrated Development
CARA	Conservation of Agricultural Resources Act
Cape Mic	Cape Music Industry Association
CBD	Central Business District
CCA	International Congress and Convention Association
CCDI	Cape Craft and Design Institute
CCTICC	Conenco Cape Town International Convention Centre
CD	Compact Disc
CEO	Chief Executive Officer
CFC	Cape Film Commission
CHEC	Cape Higher Education Consortium
CIDB	Construction Industry Development Board
CITI	Cape Information and Technology Initiative
CLOTEX	Cape Clothing and Textile Service Centre
CMA	Cape Marketing Alliance
CMATS	Correspondence Management and Tracking System
CMT	Cut, Make, and Trim
CPUT	Cape Peninsula University of Technology
CSIR	Council for Scientific and Industrial Research
CTBi	Cape Town Boat-Building and Technology Initiative
CTCIP	Clothing & Textile Competitiveness Improvement Programme
CTICC	Cape Town International Convention Centre
CTFC	Cape Town Fashion Council
CTP	Cape Town Partnership
CTRU	Cape Town Routes Unlimited
DEDAT	Department of Economic Development and Tourism

D

DIY	Do it yourself
DMO	Destination Marketing Organisation
DOPMS	Departmental Operation and Performance Management System
dti	Department of Trade and Industry
DOA	Department of Agriculture
DVDs	Digital Versatile/Video Disc

E

ED	Enterprise Development
EDF	Enterprise Development Fund
EWP	Employee Wellbeing Programme
EPWP	Extended Public Works Programme

F

FAS facts	Foetal Alcohol Syndrome (facts)
FDI	Foreign Direct Investment
FEDHASA	Federated Hospitality Association of South Africa
FET	Further Education and Training

FIFA Fédération Internationale de Football Association
FNB First National Bank

G

GDP Gross Domestic Product
GDPR Gross Domestic Product per Region
GRAP Generally Recognised Accounting Practice

H

HCT HIV Counselling and Testing
HDIs Historically Disadvantaged Individuals
HoD Head of Department
HR Human Resources
HRD Human Resources Development
HSRC Human Sciences Research Council

I

ICT Information and Communications Technologies
IDC Industrial Development Corporation
IDT Independent Development Trust
IDZ Industrial Development Zone
IEDS Integrated Economic Development Services
IPAP Industrial Policy Action Plan
IPAP2 Industrial Policy Action Plan2
IR Industrial Relations
ITDF Integrated Tourism Development Framework
IT Information Technology

J

JMA Joint Marketing Agreement
JV Joint Venture
LED Local Economic Development

M

Merseta Mechanical Engineering and Related Services Sector Education Training Authority
MEDS Micro- Economic Development Strategy
METS Marine Equipment Trade Show
M&E Monitoring and Evaluation
MINMEC Ministers and Members of Executive Councils
MoU Memorandum of Understanding
MR&I Marketing Research and Intelligence
MTEF Medium-term Expenditure Framework

N

NADCAO National Alliance for the Development of Community Advice Offices
NAMAC National Alliance for Media Arts and Culture
NATA New Africa Theatre Association
NCR National Credit Regulator
NEF National Empowerment Fund
NEPA Ntsika Enterprise Promotion Agency
NGP New Growth Path
NIMS National Integrated Manufacturing Strategy
NLA National Liquor Authority
NLPC National Liquor Policy Council
NRF National Research Foundation
NSFAS National Student Financial Aid Scheme

O

OCP Office of the Consumer Protector

P

PANSA Performing Arts Network of South Africa
PFA Preferential Procurement Policy Framework Act
PFMA Public Finance Management Act
PGWC Provincial Government of the Western Cape
PLEDF Provincial Local Economic Development Forum
PPE Personal Protective Equipment
PPP Public Private Partnership
PR Public Relations

PSDF Provincial Skills Development Forum
PSO Provincial Strategic Objective

Q

QA Quality Assurance

R

RED Real Enterprise Development
ROCCO Radio Control Operator
ROI Return on Investment
RLED Rural Local Economic Development
RTLCL Regional Tourism Liaison Committee

S

SAACI South African Association for the Conferencing Industry
SAHTA South African Honeybush Tea Association
SAIBL South African International Business Linkages
SALGA South African Local Government Association
SAMEA South African Monitoring and Evaluation Association
SanParks South African National Parks
SANRAL South African National Roads Agency Limited
SAOGA South African Oil & Gas Alliance
SAPS South Africa Police Service
SARS South African Revenue Service
SASI South African Savings Institute
SATSA Southern African Tourism Services Association
SAT South African Tourism
SCOA Standard Chart of Accounts
SCOPA Standing Committee on Public Accounts
SCM Supply Chain Management
SDAs Sector Development Agencies
SDI Service Delivery Improvement
SDP Supplier Development Programme
SEDA Small Enterprise Development Agency
SETAs Sector Education and Training Agency
SIC Standard Industrial Classification
SITA State Information Technology Agency
SPVs Special Purpose Vehicles
SO 1 Strategic Objective One
SMEs Small, Medium, and Micro Enterprises

T

TEP Tourism Enterprises Partnership
THETA Tourism Hospitality and Sports Education and Training Authority
TSD Trade and Sector Development

U

UWC University of the Western Cape
UCT University of Cape Town
US University of Stellenbosch

W

WCADI Western Cape Aquaculture Development Initiative
WCFI Western Cape Furniture Initiative
WCEDA Western Cape Economic Development Agency
WCFI Western Cape Fine Food Initiative
WCFI Western Cape Furniture Initiative
WCTI Western Cape Tooling Initiative
WCTD Western Cape Tourism Development Framework
WESGRO Western Cape Investment and Trade Promotion Agency
W&R SETA Wholesale and Retail SETA
VANSA Visual Arts Network of South Africa

Part One: General Information

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
ANNUAL REPORT 2010/11

Submission of the Annual Report to the Executive Authority

I have the honour of submitting the Annual Report for the period 1 April 2010 to 31 March 2011 of the Department of Economic Development and Tourism in terms of the Public Finance Management Act, 1999.



Solly Fourie

Accounting Officer

Date: 29 July 2011

Introduction by the Head of the Department

The 2010/11 financial year has been characterised by continued socio-economic challenges as the world slowly emerges from a severe economic downturn and the upswing in global demand being retarded by the uncertainty associated with slow recovery. The Department experienced a change in leadership. The broader senior management core grasped the opportunity to contribute to the Department's continuing role of providing an enabling environment for businesses and citizens of the province to grow and utilise economic opportunities for growth and development.

The Department's key deliverables were largely informed by the five-year Strategic Plan and the Micro- Economic Development Strategy (MEDS). The activities of the Department fulfilled its mandate to meet the demands of the strategic objectives and MEDS framework. We sought to continue to deliver interventions and support programmes by driving thematic approaches via Growth, Global Competitiveness, Participation, Skills Development, a Conducive and Fair Business Environment and Economic Planning.

It is pleasing to record that the Department has made significant strides in addressing these pressing challenges and has been relatively successful in delivering well on its stated objectives and goals. The Department has, through concerted efforts on many fronts, created opportunities for businesses and citizens to grow the economy. Indeed, despite the economic downturn and subsequent difficulty for many firms to create jobs, reasonable success has been achieved in the job creation space through the well-structured work and skills programme.

The Department has also, through its partnership with WESGRO, achieved a growth in the value of foreign direct investment. This is an endorsement of the Province's continued plans to position itself as a global business destination of choice.

During the financial year we also included an additional dimension to our already wide range of intervention and support activities by establishing a dedicated Departmental Monitoring and Evaluation Unit residing under the Strategic Planning Programme. This unit has enabled the Department to assess the relative programme outcomes against pre-determined benchmarks and objectives to ensure that there is a focused approach to assessing the relevance of various projects and programmes.

Due to the nature and scope of the various projects and programmes, use has been made of implementing agents which operate as partners of the Department. They often provide valuable capacity support where the Department, due primarily to budget constraints, cannot provide a comprehensive and compelling service by itself. The implementing agents comprise public entities, sector development agencies (SDAs) and, in some instances, private sector providers. Together with the Department, an effective and integrated partnership supporting the MEDS and 5-year strategic plan has been structured and established.

The need to focus on Enterprise Development was enhanced and once again the Department's role as a facilitator of the necessary maintenance of partnerships with stakeholders both nationally and locally has been highlighted. Strategic partnerships with various role players such as the national Department of Trade and Industry, Khula, SEDA and other entities ensured that enterprises could access the services available in a structured and deliberate way. The RED Door programme has provided access to services for start-up businesses and has contributed to assisting businesses to successfully win tenders.

Sector support featured strongly. The Department continued to play a role in the broader economy of the region through its support of various Sector Development Agencies (SDAs) and the associated economic sectors. The approach was to ensure a wide reach of support across as many sectors as the budget allowed. This enabled the Department to have a wide-ranging influence in many sectors and a consequentially broad-based developmental role in economic growth. There was a major focus in the priority sectors, as determined by the MEDS. Through this focus, the Department was able to deliver on its strategic plan to develop those sectors which provided the greatest potential for economic growth. The priority sectors included Oil and Gas, Business Process Outsourcing, ICT and Tourism.

The Department also continued providing support to traditional sectors such as Clothing, Furniture, Boat-building and Tooling. In addition, the Rooibos and Honeybush initiatives in the Agri-Business sectors were supported.

Sector support also continued in the Arts, Craft and Entertainment industries where financial and facilitation support was given to the Cape Craft and Design Institute, PANSA, VANSA, the Cape Music Commission and the Cape Film Commission.

Infrastructure-led economic development has played a significant role in the shaping of global economies. During the financial year the foundations for a set of catalytic infrastructure projects were laid. The Cape Catalyst projects, which encompasses five developments, namely the Cape

Town Port precinct, the Saldanha IDZ, East City Design Precinct, Telecoms Infrastructure and the Cape Health Technology Park, involves a complex combination of social, economic planning, construction and management activities. The programmes have commenced during the financial year under review and are all in different stages of development.

The Office of the Consumer Protector contributed hugely to the enhancement of consumer awareness among the citizens of the Western Cape. The programme used some innovative methods to ensure that the messages of financial literacy and knowledge of the implications of credit arrangements were brought to the public's attention. The interactive sessions in shopping malls proved very useful to both consumers and retailers at the various places where the awareness sessions occurred. The Department is committed to playing an increasingly facilitative role within this area of economic support to ensure that the regional and national objectives are met.

The process to amend the Western Cape Liquor Act continued through much of the 2010/11 financial year. The amendments to the Act were finally approved by the Legislature on 7 December 2010. The department administers the Liquor Board as a Sub-Programme and will continue to do so until the Act is fully implemented.

Within the Department's Economic Planning unit, significant work has been completed which has contributed to the finalisation of the Provincial Strategic Objective to create opportunities for growth and jobs. The unit facilitated the identification and the establishment of transversal work groups which will drive the strategic directives for the Future Cape Vision, the Red Tape reduction projects, the Infrastructure and Asset Development projects and the Provincial Skills Development structure.

During the year, the Department concluded sector baseline studies in the tooling, furniture, clothing and textile, fashion and agri-processing sectors. This is the first time studies of this nature have been undertaken. Results from the studies should contribute to a better understanding of these sectors which are not covered by the Standard Industrial Classification Code list.

The directive from Strategic Objective 1 calls for the establishment of a Western Cape Economic Development Agency. The research work around this project started in 2010 and will provide useful research needed to shape the structure and formulation of a shared economic agenda for the region. It will seek to provide greater horizontal integration of the economic activities currently being undertaken within the different spheres of government.

Tourism continued with its significant support for creating opportunities for growth and opportunities within the region's economy in fulfilling its mandate to increase Tourism Growth and Tourism Participation. In addition the work done to promote the destination achieved excellent results.

The tourism sector continued to play a leading role in its contribution to the regional economic performance. This is demonstrated by the 17 conference bids secured during the year, which generated some R283.5 million. In addition, 12 joint marketing agreements were secured with an economic value of R54.3 million. Support for events was continued with the three major events

namely, The Jazz Festival, Cape Argus Pick n Pay Cycle tour and The Absa Cape Epic enjoying focused support. These three events contributed a collective R1.2 billion to the destination.

In general the Department has been successful in facilitating job and growth opportunities despite the reduction in global demand. In addition, the Department has also assisted new and emerging entrepreneurs and has successfully facilitated investment into the Western Cape.

Information on the Ministry

Three institutions report to the Executive Authority responsible for Economic Development and Tourism in the Province. These are the Western Cape Investment and Trade Promotion Agency (Wesgro), the Destination Marketing Organisation trading as Cape Town Routes Unlimited (CTRU) 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). It is responsible for attracting investment, growing export capacity among firms and institutions and marketing the Western Cape as an attractive business destination.

CTRU's primary mandate is to promote the Western Cape as a leading tourism destination both globally and nationally. CTRU was established in terms of the Provincial Western Cape Tourism Act, 2004 (Act 1 of 2004). The Western Cape Liquor Board was established in terms of the National Liquor Act, 2003 (Act 59 of 2003). It is responsible for the regulation of the Western Cape liquor industry with an emphasis on wholesale and retail outlets. Further responsibilities assigned to the Board are the promotion of responsible alcohol use, as well as ensuring sustainable industry development, while addressing the negative aspects of the liquor industry, whether real or perceived.

During the period under review, the Executive Authority responsible for the Department undertook the following international trips at the behest of the Department of Economic Development and Tourism.

Place	Date	Purpose
London	14 -17 October 2010	To showcase Cape Town and the Western Cape as an investment opportunity at the launch of the "Africa Business Centre" of Ernst and Young's office in London.
London	16 – 19 November 2010	Study visit to the London Development Agency.

Vision

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

Mission Statement

The mission of the Department of Economic Development and Tourism is to provide leadership to the Western Cape economy through the Department's understanding of the economy, its ability to identify economic opportunities and potential, and its contribution to government economic priorities.

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

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

Core Values

The core values the Department espouses are:

- Competence
- Accountability
- Integrity
- Caring
- Responsiveness
- Leadership

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:

Constitutional mandate

Schedule 4A of the Constitution of the Republic of South Africa, 1996, lists Tourism as a functional area of concurrent national and provincial competence. Section 4B of the Constitution identifies local tourism as a local government functional area to the extent set out in sections 155(6)(a) and 7 of the Constitution.

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, 2003 came into effect on 13 August 2004 and repealed the Liquor Act, 1989 (Act 27 of 1989). It introduced a three-tier system of manufacturing, distribution and retail sale into the liquor industry. It regulates the manufacturing and distribution tier, whilst providing for the devolution of regulation of the micro-manufacture and retail sale of liquor to the provincial liquor authorities. Accordingly, it requires provincial governments to pass provincial liquor legislation, and provides for the Liquor Act, 1989, to (in spite of its repeal) remain valid as transitional legislation in a province until that province implements its own liquor legislation. It creates a National Liquor Authority (NLA) and requires the Provincial liquor licensing authorities to provide the NLA with statistical information relating to the retail and micro-manufacturing tier. It also creates a National Liquor Policy Council (NLPC), consisting of the Minister of Trade and Industry, the MEC's responsible for liquor licensing, the Director-General of the Department of Trade and Industry and, for each Province, one person designated in terms of applicable Provincial legislation or the MEC responsible for liquor licensing in that Province.

Western Cape Liquor Act, 2008 (Act 4 of 2008)

This act is the Provincial liquor legislation for the Western Cape, as required by the Liquor Act, 2003. It will replace the Liquor Act, 1989, upon its promulgation. It establishes the Western Cape Liquor Authority, to replace the current Western Cape Liquor Board, and provides for a management board, the Western Cape Liquor Board, appointed by the Provincial Minister responsible for liquor regulation, that will comprise of members nominated by the public. The Liquor Board will appoint a Liquor Licensing Tribunal, which will, in turn, also be constituted of members nominated through a public participation process. The Act provides for increased public participation in the liquor licence application process; better protection for vulnerable groups against the abuse of and irresponsible trading in liquor; the re-introduction of correct zoning as a prerequisite for the issuing of a liquor licence; the establishment of a dedicated fund to address the scourge of liquor abuse; measures to cut the supply lines to illegal traders; non-renewal of licences in cases where justified complaints have been lodged against the establishments to which such licences relate; more offences and vastly increased fines and imprisonment terms for commission of such offences; easier and less costly appeal and review procedures and substantial increases in application and licence fees (which have not been adjusted since 1992).

Western Cape Liquor Amendment Act, (Act 10 of 2010)

This Act emanated from the insistence by the Minister of Trade and Industry that the principal legislation, the Western Cape Liquor Act, be amended to remove the provision that would have enabled the Liquor Licensing Tribunal to grant special event liquor licences to schools. In the course of effecting the above-mentioned amendment, inputs were received from other stakeholders in liquor regulation in the Province, in particular the South African Police Service and the City of Cape Town, pursuant to which provisions to regulate the lodgement of certain applications and reports in a different manner, and to clarify the competency of municipalities to determine trading days and hours for businesses selling liquor, were incorporated in this Amendment Act. In addition, the Act includes a number of provisions relating to, amongst others, certain nomenclatures applicable to the provincial liquor authority; a change in the structure of the authority; delegations; remuneration and terms of conditions of service of certain functionaries; offences and further regulation of the transitional provisions.

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 licences 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.

Municipal Systems Act, 2000 (Act 32 of 2000)

To provide core principles, mechanisms and processes to enable municipalities to move progressively towards the 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 three spheres of government in the first instance and all of the social partners in the second instance. The Western Cape Tourism Development Framework has defined targets and outcomes that need to be achieved over a ten-year timeframe. It is a living and dynamic document, with research constantly being added to the evidence base and analysis being adjusted as circumstances change. There will be a major review on a five-year basis.

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

- 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 for lodging complaints and disciplinary measures.

National Tourism Sector Charter as a Sector Code on black economic empowerment in terms of Section 9(1) of the BBBEE Act (Act No 53 of 2003), gazetted May 2009

The Tourism Sector Charter aims to advance the objectives of the Broad-based Black Economic Empowerment Act. It constitutes the principles upon which BBBEE will be implemented in the Tourism Sector.

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.

Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)

To give effect to section 217 (3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217 (2) of the Constitution; and to provide for matters connected therewith.

National Small Business Amendment Act (2004)

To amend the National Small Business Act, 1996, so as to repeal all provisions pertaining to the Ntsika Enterprise Promotion Agency (NEPA); 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.

Consumer Protection Act 2008, (Act 68 of 2008)

The purpose of the Act is to promote and advance the social and economic welfare of consumers in South Africa by -

- a) Establishing a legal framework for the achievement and maintenance of a consumer market that is fair, accessible, efficient, sustainable and responsible;*
- b) Promoting fair business practices by protecting consumers from –
 - i. Unfair, unreasonable or otherwise improper trade practices; and*
 - ii. Deceptive, misleading, unfair or fraudulent conduct;**
- c) Promoting social, economic and environmental responsibility in consumer markets by;
 - i. Improving consumer awareness and information and encouraging responsible and informed consumer choice and behaviour;*
 - ii. Promoting consumer confidence and empowerment, and the development of a culture of consumer responsibility through individual and group education, vigilance, advocacy and activism;**
- d) Providing for a consistent, accessible and efficient system of consensual resolution of disputes arising from consumer transactions; and*
- e) Providing for an accessible, consistent, harmonised, effective and efficient system of redress for consumers.*

Part Two: Programme Performance

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
ANNUAL REPORT 2010/11

Voted Funds

Appropriation R'000	Adjustment R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
241 478	(3 934)	237 544	235 751	1 793
Responsible Minister	Minister of Finance, Economic Development and Tourism			
Administering Department	Department of Economic Development & Tourism			
Accounting Officer	Mr SW Fourie			

Aim of vote

The aim of the Department is to contribute to the building of a Western Cape that has a vibrant, innovative, and sustainable economy, characterised by growth, employment and increasing equity and that is built on the full potential of all its economic citizens.

Key Measurable Objectives, Programmes and Achievements

Key measurable objectives

During the 2010/11 financial year, the Department identified the following Key Measurable Objectives, namely:

- Departmental review and revision in order to maximise impact;
- Rationalisation of sector support;
- Upscaling entrepreneurship mentorship initiatives; and
- Equipping citizens with financial literacy

The departmental review was aimed at capitalising on initiatives to create opportunities for business and individuals to grow the economy. The review process was aimed at investigating the role to be played by the department, public entities (Wesgro and CTRU), implementing agents such as CASIDRA and the Special Purpose Vehicles such as the Sector Development Agencies; and reducing/mitigating any duplication, streamlining processes and enhancing synergies between these organisations.

In terms of the rationalisation of sector support, the Department aimed to re-evaluate its support to sector bodies without discontinuing its clustering approach. Sector Development Agencies were ranked in terms of its sector potential in maximising economic and employment growth. Key sectors receiving dedicated support were: business process outsourcing (BPO), information and communications technologies (ICT), oil and gas offshore services and facility construction, and tourism. Important or significant sectors (clothing and textiles, boat-building, commercial arts and entertainment, metals and engineering, furniture and agri-processing) received funding for clustering.

The Department furthermore placed entrepreneurial mentorship and opportunity-driven support at the centre of its entrepreneurship development interventions. It was aimed at building partnerships with private and public sector organisations in order to leverage and up-scale access to existing mentorship initiatives and resources based on a segmentation of business types and mentorship needs.

Both international and national research highlighted the importance of financial literacy as a key economic driver in ensuring equity and prosperity among citizens. As such, a special focus area for the Department was the enhancing of financial literacy so as to improve people's budgeting skills and prevent people remaining or falling into poverty due to poor decision making when obtaining excessive credit.

Programmes

To give effect to the above-mentioned key measurable objectives, the Department was structured into six Programmes, namely Administration, Integrated Economic Development Services, Trade and Sector Development, Business Regulation and Governance, Economic Planning and Tourism, Arts and Entertainment.

Programme 1: Administration is responsible for the overall management of the Department and includes the transversal functions of Financial Management and Corporate Services. It also houses the Office of the Head of Department (HoD).

Programme 2: Integrated Economic Development Services (IEDS) is responsible for the provision of support and advice to the broader citizenry of the Western Cape. It also addresses issues such as Enterprise Development, Regional and Local Economic Development, Economic Empowerment and Workforce Development. The primary focus of the Programme is the provision of services to improve enterprises within the Western Cape, the provision of economic development assistance and advice to rural municipalities to improve the economic development capacity. It also aims to address the skills and employment gap in the Province through the provision of targeted skills development initiatives.

Programme 3: Trade and Sector Development and **Programme 6:** Tourism, Arts and Entertainment are the divisions primarily responsible for the implementation of the sector initiatives within the Department and provision of support to the prioritised economic sectors within the Western Cape

economy. The primary focus areas for these Programmes are investment promotion, marketing, competitiveness, innovation, niche market development and catalytic infrastructure projects.

In terms of the Department's mandate to ensure a fair and conducive business environment for businesses and consumers alike, **Programme 4: Business Regulation and Governance** was instituted. The key focus areas for the Programme are the regulation of the liquor industry through the provision of a liquor industry regulation service and consumer protection services.

The need exists to ensure that accurate information, research, planning, monitoring and evaluation is transversal across all programmes of the Department. In this regard, **Programme 5: Economic Planning** was established to ensure that the core functions of knowledge management, research and policy development, as well as monitoring and evaluation, are conducted.

Achievements

Upscaling entrepreneurship mentorship initiatives

The programme has heeded the call by the many growth-oriented small businesses for hands-on tailor-made assistance to achieve sustainable growth. As a small but significant step in satisfying this need and ultimately contributing to job creation, the programme embarked upon its Legacy Mentorship programme. With an initial appeal to retired business people to volunteer as mentors, the project quickly expanded to attracting expert mentors. This meant that we were able to create an easily accessible network of mentors across the province. The highlights of this project include:

- Providing mentorship services to more than 50 SMEs during critical stages of their business growth;
- The establishment of a network of about 110 mentors ready to be deployed where the need arises and available to other support organisations to access;
- Providing a platform for the sharing of learning among both mentors and SME participants;
- The creation of a solid base from which to further develop and expand the project in the next financial year.

Rationalisation of sector support

The Trade & Sector units have delivered beyond expectations, facilitating development and building platforms for growth across 12 economic clusters. At its heart is the interplay between government, industry and academia, the so-called Triple-Helix of regional development that is enabled by the Province's approach to Cluster Development. The Department has carved out a model based on global regional best-practice, which has seen the province taking the lead nationally with its 17 Special Purpose Vehicles (SPVs). This has led to powerful partnerships with the private sector, which has attracted membership of more than 1500 firms, provided deep upgrading programmes to 70 businesses and contributed to the emergence of five new mega-projects that are currently undergoing feasibility processes.

Due to the strong corporate governance model within the SPVs, and their reputation as representing

the needs of industry, they have, for the first time, leveraged more funding from outside sources for key projects than that put in by the PGWC. This reflects in part the increasing buy-in to the Department's cluster policies at a national level, as well as the strong support by industry. The Department has also led the way in the establishment of the GreenCape initiative to take advantage of the opportunities offered by the Green Economy, and since launching at the end of 2010, has already established a strong reputation in the marketplace. The importance of the food processing industry in the Cape is also behind the launch of the South African Fine Foods Association (SAFFA) during 2010, and will play an important role in the sector portfolio for the Province.

This is complemented by the work of Wesgro that met its target of attracting six investments during the year, and significantly surpassed its export support targets, assisting 372 companies. This is despite a very difficult period in global markets, with FDI trending strongly downwards.

The Department has, for the past 10 years, invested effort and resources in the Film and Craft sectors. This has resulted in sector maturity and significant growth, cohesion and increased export earnings. Furthermore, growth and positive economic potential for the Western Cape can be expected from the Film and Craft sectors. Budgetary allocations to Film and Craft are for Sector Development (operational budget), Enterprise Development, Innovation and Trade and Export Promotion.

The Music, Performing Arts and Visual Arts sectors, although displaying significant potential, are at this stage fractured and under-commercialised. Budgetary allocations to Music, Performing Arts and Visual Arts are only for Sector Development. The Department has played a much more intensive facilitating role in leveraging project funds from national government for these sectors.

Equipping citizens with financial literacy

On the financial literacy front, the Office of the Consumer Protector (OCP) has partnered with a number of key stakeholders in the consumer protection environment to ensure that marginalised consumers receive assistance to address the challenges posed by financial illiteracy. In this regard key interventions have included partnerships with the National Credit Regulator (NCR) and the South African Savings Institute (SASI). The interventions were focused on capacitating consumers with information and advice on basic financial literacy and on how to address the challenges posed by over-indebtedness. In addition, a specific partnership was established between the OCP and First National Bank's (FNB) Consumer Education Unit to roll out financial literacy workshops in communities in the Western Cape. FNB's drive to educate consumers on basic financial literacy is part of their corporate social responsibility programme. Their strategy with regard to their basic financial literacy programme is similar to the OCP's strategy on the same issue. The two organisations therefore decided to coordinate their programmes. This joint initiative with FNB has so far benefited more than 2 000 consumers in the province. These workshops were conducted in previously disadvantaged and currently marginalised communities. The success of the interventions conducted by the OCP can be measured by the number of ad hoc requests for similar sessions that were received by businesses, NGOs, religious bodies and consumers in general. These ad hoc requests were generally received subsequent to the "word of mouth" spread about the importance of the sessions.

Overview of service delivery environment for 2010/11

International Economy

Spurred on by the greatest injection of fiscal and monetary stimulus ever implemented in many developed economies and some emerging markets as well, the global economy has been able to, in 2010, sustain the recovery from the world's worst recession since the 1930s which was experienced in 2008/09. There was a short period towards the end of 2010 when it looked as though some of the growth momentum was fading away as some of the impact of the stimulus began dissipating.

However, most recent data has suggested that the brisk growth of almost 5% for the world economy seen in 2010 has not slowed materially in the first quarter of 2011. In the US in particular, growth has regained a level of between 3% and 4%. In Europe, despite a tilt towards more fiscal austerity during the course of 2010 in the face of alarming increases in public debt levels of peripheral Eurozone economies, such as those of Greece, Ireland, Portugal and Spain, economic growth has still managed to come out at more than 2% overall. This is largely attributable to a tremendous export performance by German industry, which surprised most analysts.

Besides significant structural economic reforms, Germany's growth appears to have been assisted by the decline in the Euro's exchange rate against the Dollar from its peak levels in late 2008. The growth of Japan's economy, the third largest in the world, has been weak, but by no means back in recession.

Although the growth of developed economies has not been startling, the principal contributor towards a relatively elevated growth performance for the global economy continues to be the exceptionally strong performance of emerging markets, led by China. These economies' growth has been driven by rapid urbanisation and associated development and has been providing developed economies, as well as emerging markets themselves, with raw material resources and manufactured goods. However, the resultant rise in commodity prices, especially of crude oil, due to strong demand, has begun to raise inflationary pressures in these emerging markets. This has resulted in a tightening of monetary policy in several emerging markets.

In advanced economies, inflation has been increasing but is not being seen as such a threat primarily because of the existence of significant excess capacity within those economies. In emerging markets, in contrast, rapid economic growth has used up whatever excess demand may have existed and consequently has been raising inflation perceptibly.

Nonetheless, the threat of a reversal in the lax monetary policy, which has prevailed over the past two years in both developed and developing economies as attempts are made to cool off inflationary pressures, could pose a significant threat to both personal and public levels of solvency. This is because huge levels of personal debt incurred during the 1990s and the period prior to the world's financial crisis in 2008, compelled many advanced economy authorities to rescue the

financial sectors of their economies, leading to a huge escalation of public debts. Ultimately, there remains the fear that the US authorities will be driven to monetise that debt as a means of escaping from this constraint, with dramatic implications for inflation, the Dollar and ultimately economic growth worldwide.

South African Economy

South Africa has maintained moderate positive economic growth through to the 4th Quarter of 2010 in line with the global economic recovery. Its correlation with the growth of the world economy has continued, with the recovery from recession intact. There appears to have been three key drivers sustaining growth in the South African economy. The first has been the relatively strong recovery in emerging markets, which has called forth brisk demand for South Africa's raw material exports and helped to boost commodity prices. Secondly, the on-going lagged benefits of a 6.5% decline in short-term interest rates between December 2008 and the present has assisted in improving the financial position of households and businesses in such a way as to encourage a sharp increase in certain areas of consumer spending. Thirdly, the substantial decline in inflation, which accommodated further reductions in interest rates in 2010, has also assisted in allowing disposable income to rise substantially.

The problem with these developments is that the growth which was experienced in 2010 was not accompanied by significant job creation. So-called "jobless growth" resumed following the huge loss of jobs during the recession. A number of structural impediments appear to be continuing to impede employment creation. Firstly, lack of progress in education and the development of skills continue to render large sections of the labour force unemployable. In this regard, South Africa has been falling behind other African countries with regard to skills development and this has contributed towards the country lagging the rest of Africa in terms of economic growth, more generally. The country now has one of the lowest ratios of employment to adult population in the world, including Africa. Secondly, militancy on the part of trade unions, together with labour laws, which are seen to be inimical to job creation by employers, have prevented any meaningful desire on the part of employers to take on new workers. Thirdly, the threatened introduction of new labour legislation, which is regarded as even more restrictive than its predecessors, are combining to create perceptions that it is far more appropriate to adopt capital intensive rather than labour intensive processes. Fourthly, lip service continues to be paid to the development of small business and entrepreneurial ventures, which theoretically could generate far more jobs proportionately than bigger ventures. Finally, national government's promise of an ambitiously massive infrastructural investment drive, which was supposed to be accompanied by significant job creation, has barely taken off. It is clear that a lack of managerial resources within the public sector is hampering the ability to take decisions on and implement such projects.

In November 2010, the national government announced a New Growth Path for economic development and job creation, whose principal objective was to generate 500 000 jobs per annum for the next 10 years. The intention is to reduce the unemployment rate from 25% at present, down to 15% by 2020. The approach adopted by the New Growth Path is multifaceted. It incorporates the notion of loose monetary policy and low real interest rates as a means of bringing about currency

depreciation in such a way as to improve the competitiveness of the South African industry. It argues for a combination of fiscal discipline and wage restraint on the part of both workers and employers as a means of combating potential inflationary pressures, which would arise from lower interest rates and currency depreciation. Implementation of large infrastructural developmental programmes is aimed at assisting further in job creation.

Incentives for businesses to encourage and to undertake investment are also geared towards encouraging the generation of new employment. The aim is to direct such incentives at labour-intensive sectors such as agriculture, mining, manufacturing, tourism and green industries in order to shift the sectoral structure of the economy away from knowledge-intensive and activities requiring high levels of skill, towards those which could absorb the abundance of unskilled labour more easily. The entire programme requires co-option on the part of both the business sector and the powerfully organised trade union movement. However, it is doubtful whether such a programme can succeed without addressing the structural weaknesses of the economy outlined above. The structural impediments contribute towards a relative lack of competitiveness and productivity compared with other countries, with jobless growth the result.

Be that as it may, consumer spending has surprised on the upside in 2010 in the wake of the reduction in interest rates to their lowest levels in three and a half decades. The resultant decline in the debt-servicing burden of households has contributed towards improving financial conditions as manifested by a resumption of huge growth in the demand for durable goods. Ironically, this double-digit growth has contrasted with fairly subdued growth in the residential building sector. The contrast can be accounted for by the willingness of suppliers of durable goods to advance credit to potential customers themselves rather than to rely on credit advances by a banking sector, which was still fairly tight with regard to providing loans in 2010. Especially in regard to home loans, potential buyers are still finding it difficult to access credit and this is contributing towards the residential building sector and associated house prices remaining subdued.

Private sector credit growth remained relatively slow even if it was beginning to rise compared with earlier levels. The aggressive growth in demand for durable goods also appears to be resulting from a need to replace products that are becoming ever more rapidly obsolete in a rapidly changing product design environment globally. Nonetheless, even in the case of semi-durable and non-durable goods, growth in demand has reached fairly solid levels. However, one doubts very much whether the growth in consumer spending witnessed during the second half of 2010 will be sustained at the same pace for any length of time. The reason for such scepticism is that the ratio of household debt to disposable income has not declined materially since its peak in 2008. One finds it difficult to imagine that potential consumers will extend themselves debt wise still further.

In contrast with the better than expected performance of consumer spending, investment in infrastructure has still not shown any material signs of picking up, notwithstanding government's commitment to driving such projects. Spending by parastatal organisations has been slow in taking off. In particular, the non-residential building and civil engineering sectors remain in the doldrums and businesses in these sectors are crying for work. This contrasts with the erstwhile boom years in the build-up to preparation and erection of the 2010 FIFA World Cup facilities. In areas where fixed

investment has indeed improved, it has done so off a very low base reached during the recession and activity has recovered merely to 2005 levels. Much of the growth in domestic manufacturing has been driven by the demand from abroad for automotive products and processed minerals for export.

Performance of the Western Cape Economy

The Western Cape economy mirrored the South African economy, with estimated figures recording growth at 2.8% in 2010 (at basic prices) from the negative growth rate of -1.2% in 2009. However, given that economic growth at the national level stemmed primarily from stronger growth in the mining sector during the second half of 2010, the Western Cape economy most likely underperformed against the national economy, as this sector makes up a very small part of the regional economy.

Concomitantly, growth within the Western Cape economy in 2010 was primarily driven by the services sectors whilst on the national level, the fastest growth sectors were mining and quarrying and manufacturing.

Over the past five years, average economic growth has been positive across all sectors barring mining and quarrying. Over the period 2005-2009, average annual growth for almost all sectors has been 2% or more per annum. The fastest growing sector over this period was the construction sector (10.5%), followed by the finance, insurance, real estate and business services sector (6%) and transport, storage and communication sector (4.6%). Even though these were the predominant growth sectors for the period under review, one must remain cognisant that almost all of the remaining sectors contributed to growth in the Western Cape.

Table 1 Western Cape real GDP growth (%)

Industry	2005	2006	2007	2008	2009	2010*
Agriculture	5.9	-5.7	2.4	10.6	2.9	0.3
Mining	5.2	-5.6	0.8	-6.7	-1.6	-0.6
Manufacturing	5.3	6.3	5.1	1.2	-8.4	2.3
Electricity	6.3	2.4	3.0	0.3	-4.7	3.1
Water	2.9	-3.0	1.7	-3.6	4.0	2.0
Construction	12.3	10.7	14.4	8.5	8.3	2.8
Wholesale and retail trade	9.3	5.6	5.5	0.2	-3.4	3.0
Catering and accommodation	7.4	2.1	4.1	-0.1	-2.2	2.7
Transport	9.2	5.1	7.4	2.0	2.0	3.7
Communication	8.9	3.1	5.6	3.8	-2.6	1.3
Finance and Insurance	5.6	17.1	14.3	13.1	-0.7	4.6
Business services	3.4	2.3	1.7	1.4	1.0	1.8
Community, social & other personal services	4.3	4.3	5.4	3.4	3.4	2.2
General Government services	3.9	2.6	4.0	4.1	4.0	3.2
Total GDP @ basic prices	6.1	5.9	6.4	4.3	-1.2	2.8

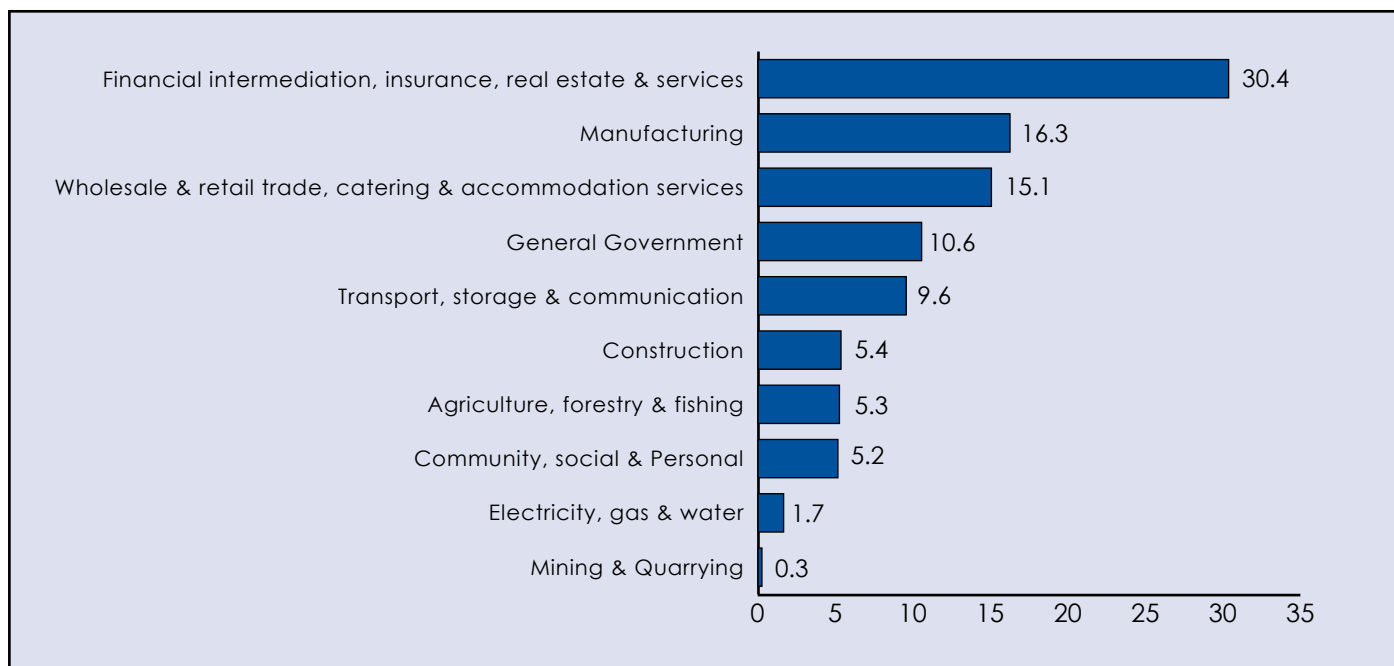
Source: Quantec/ BER

Note: Quantec/BER economic forecast January 2011

Composition of the Western Cape economy

In 2009, the tertiary sector accounted for 70.9% of economic activity in the Western Cape Province, followed by 23.4% from the secondary sector and 5.6% from the primary sector.

Figure 1: Sectoral Contribution to the Western Cape GDP (2009)



Source: Quantec Research

The Western Cape economic activity within the tertiary sector is concentrated in the finance, insurance, real estate and business services sector – the largest contributor to the regional GDP. In 2009, this sector contributed 30.4% towards GDP (see Figure 1 above). On the national level, this sector also dominated national economic activity, albeit its contribution to the national economy was only about 20.3%.

As depicted in Figure 1 above, the other sectors that contributed significantly to the regional economy include manufacturing (16.3%) and the wholesale, retail trade, catering and accommodation services sectors (15.1%).

The construction sector, albeit a relatively small contributor (5.4%) to the regional economy has historically been a key driver for growth in the Western Cape Province (see Table 1 above). Since 2004 this sector has demonstrated robust real GDP growth for the Western Cape Province. However, in 2010 the real GDP growth from this sector reduced from 8.3% in 2009 to 2.8% in 2010. This decline can largely be attributed to the completion of the FIFA 2010 projects in 2009 with some spillover in the 1st Quarter of 2010.

The agriculture, forestry and fishing sector contribution to the Western Cape Province's GDP was 5.3% in 2009.

Performance of the Western Cape sectors

Traditionally, growth in the Western Cape economy has stemmed mainly from the service sectors, specifically the finance, insurance, real estate and business services sectors; and the wholesale and retail trade sectors. Other important sectors that have generally significantly contributed to the economy of the Western Cape include the manufacturing sector; and the wholesale, retail trade, catering and accommodation services sectors.

Agriculture, forestry and fishing sector

Growth in the Western Cape agricultural, forestry and fishing sector was estimated at 10.6% in 2008 and declined to 2.9% in 2009. In 2010, the real GDP growth for this sector was estimated to have reduced further to 0.3% (see Table 1 above). Possible reasons for this sustained decline in the Western Cape Province can be ascribed to weak domestic and export demand during the recession, the volatility and seasonal nature of the sector, unpredictable factors such as the weather, and lastly, rand strength adversely affecting the export-oriented industries within this sector.¹ The medium-term expectation for the sector remains low with positive mean annual growth rate of about 1.6% during 2011 and 2015.²

Notably however, the Western Cape is renowned for having a competitive advantage in producing agricultural products and if combined with the food, beverages and tobacco sector, the competitive advantage is even more pronounced.

Manufacturing sector

The manufacturing sector is one of the key sectors in contributing to economic activity in the Western Cape Province. This sector is well known for having the capability to absorb a large portion of the excess supply of unskilled and semi-skilled labour in the Province.

It is well-documented that historically, the regional manufacturing sector, despite its share of the regional economy progressively decreasing over time, still outperforms the national economy. In other words, in 2009 the regional economy contributed 16.3% compared to the national economy's contribution of 14.9%. Real GDP growth in the regional manufacturing sector was 1.2% in 2008 reducing to -8.4% in 2009 and rising to an estimated 2.3% in 2010. The real GDP growth figures of the national manufacturing sector were viz: 2.6% in 2008 reducing to -10.4% in 2009 and significantly increasing to 5% in 2010.³ The contraction during the 2008 – 2009 period was chiefly ascribed to the economic crisis and the subsequent rise in production to the recovery of the regional economy in line with that of the national economy.

¹PERO, 2010

²Quantec Research

³ Statistics South Africa, 2010.

Construction sector

As mentioned earlier, the construction sector has in the past been a key driver for growth in the Western Cape Province. Despite a decrease in 2010, the contribution of the construction sector to the regional economy has progressively increased to a level of 5.4% in 2009.⁴ Preceding and throughout this duration the share of this sector to the regional economy has been larger than its contribution to the national economy. Real growth in GDP in the regional construction sector was 8.5% in 2008 marginally declining to 8.3% in 2009 and substantially reducing to an estimated 2.8% in 2010.

The growth in the construction sector during the past few years can be partly attributed to the provision of much needed social and economic infrastructure and construction activity associated with the preparations for the 2010 FIFA World Cup.

The economic outlook for 2010 suggested sustained pressure on the Provincial construction sector. The value of building plans approved fell by 29.4% (year on year) after registering only a modest decline in 2008.⁵ Nevertheless, for the period 2009 - 2013 it is anticipated that the construction sector will rise to a robust mean annual rate of 4.8%.⁶ This growth will be closely related to the economic or business cycle and as a consequence to the demand for houses and commercial buildings, as well as public investment in infrastructure.⁷

Wholesale and retail trade, catering and accommodation services sector

In 2009 the contribution of the wholesale and retail trade, catering and accommodation services sector towards the regional economy was 15.1%. Real growth in the Western Cape wholesale and retail trade, catering and accommodation services sector had reduced notably in 2009 to -3.4% but a major turnaround was anticipated for this sector in 2010 with an estimated growth projection of 3.0%.

This sector cuts across many other large and prominent subsectors within the services industry in the Western Cape Province, such as finance and insurance as well as tourism. Therefore, growth in this sector is largely derived from growth in other sectors. During December 2008 and December 2010 the Reserve Bank reduced the repurchase rate by 6.5% to its lowest levels in many years. This assisted in improving the financial position of households and businesses in the Western Cape Province in such a way as to encourage a sharp increase in certain areas of consumer spending. Furthermore, the substantial decline in inflation, which accommodated further reductions in interest rates in

⁴Quantec Research

⁵PERO, 2010

⁶ibid

⁷ibid

2010, had also assisted in allowing the disposable income of these households and businesses to rise substantially.

Furthermore, a likely stimulus to the retail sector during 2010 Q2 and the months thereafter was the hosting of the 2010 FIFA World Cup event. These are the probable causes of the marked turnaround of the sector.

Notwithstanding this, a limiting factor to the growth of this sector during 2010 was despite households and businesses' disposable incomes rising, the credit available to them was still being curtailed given the strict requirements of the lending institutions.

Finance and insurance and the business services sectors

The leading sectors in the Western Cape that determine the performance of the regional economy are the finance, insurance and business services sectors. These sectors dominate the economy of the Western Cape proven by the fact that it constituted close to one third (30.4%) of the Province's economic production in 2009. Significantly, since 2000 and despite tapering off over the last two years, the finance and insurance sector's contribution to the regional economy has been progressively increasing.⁸ Notably, the Western Cape Province has a strong publicised comparative advantage in finance and insurance.

Real growth in the Western Cape finance and insurance sector and the business services sector in 2009 was -0.7% and 1.0% respectively, both down from their previous levels in 2008. However, in 2010 a marked increase in real GDP growth was projected for the regional finance and insurance sector to the value of 4.6% and a smaller increase of 0.8 percentage points to 1.8% for the business services sector.

In 2009 the notable decrease in the finance and insurance sector and the business services sector was attributed to the tightening of lending criteria as a result of the National Credit Act, the sharp decline in asset values and the adverse effect of the global financial crisis on the life insurance and investment management industries with most of their head offices being located in the Province. The growth of finance and insurance is expected to remain strong and healthy over the medium-term.

During the 2009 – 2013 period the mean annual growth of the finance and insurance sector is anticipated to be 5.8% in the Western Cape Province in comparison with 4.4% expected for the national economy.

However, the growth outlook for the business services sector which comprises of call centres and the Business Processing and Outsourcing (BPO) industry is expected to remain restrained.

⁸Quantec Research data was utilized.

Overview of the organisational environment for 2010/11

The financial year 2010/11 observed the launch of the Provincial Government Western Cape's shared corporate services project, and enterprise risk management and human resource management functions were the first areas to be impacted upon. Essentially this meant that the responsibility and accountability for effective risk management and human resource management in departments still resided with Accounting Officers. The resources however, or more specifically, the dedicated units for the functions were removed from departments and housed within the shared corporate services project in the Department of the Premier.

The abovementioned circumstance prioritised risk management in such a manner that it afforded the onus thereof to be placed more significantly on the risk owner. In embracing this new structure of risk management in the Province, the Department has been able to successfully maintain and even enhance sound risk management principles through its related projects.

As a result, The Administration Programme was significantly restructured to take the loss of the ERM and Human Resource Management into account. Various processes for dealing with the function shifts have been put in place, such as providing departmental liaison persons to manage the relationships with amongst others the ERM unit and Human Resource Management now under the auspices of the Department of the Premier.

The introduction of Strategic Objective 1 also brought about unique challenges, especially in the sphere of enterprise development where the department's stance of becoming less of a direct player in the SMME support environment to the adoption of a more facilitative role had created some uncertainty among staff, clients and stakeholders. Uncertainty among staff employed at the RED Door centres created challenges in terms of achievement of targets and upholding service standards. This uncertainty was swiftly dealt with through the provision of a clear way forward on the RED Door project giving all concerned a clear picture of the future.

In contrast to the 2009/10 period, the Department managed to successfully fill three vacancies within the senior management cadre, as well as appointing four officials in specialist areas within the department which essentially allowed for increased stability and increased effectiveness in key areas. The vacancy rate for the Department improved slightly from 22% in 2009/10 to 19% in 2010/11. This still presented challenges to the Department. Key areas that were affected were in the Resource Beneficiation area as well as Commercial Arts and Entertainment. However, an acting director has been appointed in Commercial Arts and Entertainment from 1 February 2010 until further notice.

The 2010/11 financial year was also the first full year of the operations of the Cape Catalyst unit. Although a small unit, staffed with only three personnel and with limited resources, major strides were made in getting projects initiated and developed. Towards the end of the financial year a dedicated Catalyst Project Office was approved and created which included additional staffing capacity and a dedicated senior manager to be in effect as of 01 April 2011.

Strategic overview and key policy developments for the 2010/11 financial year

Programme 1: Administration - The financial year observed the launch of the Provincial Government Western Cape's Modernisation programme. It impacted upon various responsibilities, all however contained within the corporate services sphere. In the context of the Department, this new structure of support services provoked an equal measure of frustration that inevitably comes with any undertaking in its teething stage and resourcefulness prompted by business continuity instincts. Against the backdrop of comprehensive and consultative service level agreements for each responsibility, the programme, from the Department's perspective, seems to have stabilised towards the end of the financial year and settled into its next and more promising phase.

Programme 2: Integrated Economic Development Services - The adoption of Strategic Objective 1 signalled in many cases a radical departure from existing paradigms on regional and local economic development, skills development and enterprise development. The new focus included the initial moves towards improved and enhanced relations with business, demand-led interventions with private sector buy-in and projects and programmes in line with achieving an increase in opportunities for growth and jobs.

After many years of debate and delay, national Cabinet announced during the latter part of the financial year the alignment of the Preferential Procurement Policy Framework Act (PPPFA) and the Broad-Based Black Economic Empowerment Act (BEE Act). Although not implemented in the year under review, the implications for the current PPPFA are significant. When fully implemented, it will be required of all SMMEs doing business with government to possess valid BEE certificates. During this year the programme already experienced an increase in queries and request for assistance with regard to BEE accreditation and the new regulations governing provincial procurement.

Programme 3: Trade and Sector Development - The key policy development has been the inclusion of the Oil and Gas and Boat-building sectors in the Industrial Policy Action Plan (the IPAP). This was a testament to several years of concentrated action by the SAOGA and CTBi, and will lead to greater national attention to key infrastructural challenges, increased funding flows to priority projects within these sectors, as well as the possibility of tailored incentives.

Programme 4: Business Regulation and Governance - One of the major legislative developments within the arena of consumer protection relates to the implementation of the Consumer Protection Act, 2008 (Act 68 of 2008). The aforementioned National Act was initially intended to become operational during October 2010, but certain operational challenges required the National Minister of Trade and Industry to delay the operation of the Act to 1 April 2011. The planned delayed implementation date was however only communicated to all stakeholders in October 2010. As a result all stakeholders, including consumers and business, had geared themselves for the implementation of the Act as per the original date communicated by the National Department. This therefore had the effect of stimulating the interest amongst all stakeholders about the implications and effect of the Act on business and consumers in general. This heightened interest therefore had direct

implications for the Office of the Consumer Protector since an increase in the amount of awareness and information sessions on the Act were requested by a variety of different stakeholders. This posed a challenge to the OCP since requests were received from all regions within the province and from a wide array of interested parties, which included business organisations, consumer groups, NGOs, schools, religious organisations and ordinary consumers. The OCP was able to address this challenge by conducting interventions after hours and over weekends. A further implication of the interest in the new legislation was the direct increase in the number of complaints received from ordinary consumers. This increase in complaint numbers posed a serious challenge to the OCP since the existing human resources were required to address the increased complaints. The OCP has managed to address the increased complaints, but additional human resources will be provided during the 2011/12 financial year to ensure that an effective consumer complaint redress service is provided.

Programme 5: Economic Planning - Cabinet approved the Provincial Strategic Objective (PSO): Increasing Opportunities for Growth and Jobs, on 31 August 2010 and appointed the Department of Economic Development and Tourism as the Custodian Department to manage this PSO 1.

The Strategic Objective 1 shaped both the Departmental economic policy and strategic approach to fit the following principles:

- Sustainable economic growth is the foundation of all successful development.
- Growth is driven primarily by private sector businesses operating within a predominantly free market environment.
- The role of the state is (a) to create and maintain an enabling environment for business and (b) to provide demand-led, private sector-driven support for growth sectors, industries and businesses.

The twin pillars of provincial approach to economic development are therefore: (a) The creation and maintenance of an enabling environment for business, and; (b) Demand-led, private sector-driven government support for growth sectors, industries and businesses.

In giving effect to the above-mentioned provincial economic policy and strategic approach, the Department has translated PSO 1 into all departmental programmes and projects in the form of the 2011/12 Annual Performance Plan. Furthermore, the department has developed a strategic directive with specific theme-based working groups that will report to the high-level Economic and Infrastructure Strategic Sector Steering Committee. The working groups will implement their activities and outputs through the Provincial Transversal Management System to achieve economic outcomes in the following manner:

Future Cape: Vision and the brand to attract investment and promote economic growth

Future Cape will seek to develop a 30-year economic vision and brand for the region through sound economic forecasting and through bringing together relevant stakeholders under the leadership of the Premier. This will create a coherent marketing brand and a shared image for the region. Implementation for 2011/12 includes:

- Establishing of a Premier's Stakeholders Forum;
- Stakeholder engagement and consultation with respect to economic forecasting; and
- Developing a branding framework for the Western Cape region.

Red Tape to Red Carpet: Improving the regulatory environment through the reduction of red tape

Government must design a pro-growth planning environment that ensures sustainability. It also means efficient implementation of administrative processes. Government has to accomplish an attitude adjustment; shifting citizens' experience from a red tape to a red carpet experience, including an investor and growth-friendly environment; and minimising the hurdles to sustainable business profitability, investment and job creation, including the green economy.

Infrastructure and asset-led growth and development strategy

In order to make investment possible, the department will lead the process to:

- Develop an integrated infrastructure plan for the Western Cape;
- Drive to completion several existing infrastructure projects;
- Turn around underperforming state-owned assets in order to create investment and employment opportunities. The Cape Town Regeneration Project is a prime example.

To achieve the second pillar - demand-led, private sector-driven government support for growth sectors, industries and businesses – the following initiatives are relevant.

A demand-led, private sector-driven government support for growth sectors, industries and businesses through a new Western Cape Economic Development Agency

International precedent shows that economic development strategy is best implemented by an agency and it is also essential to ensure value-for-money and proper integration between the various role players in executing economic development strategy. The provincial government will therefore collapse these entities into a Western Cape Economic Development Agency (WCEDA). It is envisaged that the mandate of the Agency would cover the following:

- Destination marketing for tourism and major events
- Investment and trade promotion
- Enterprise development
- Local economic development
- Skills development, as a participant in the Provincial Skills Development Forum
- Growth sector support informed by the MEDS research and including support for the Tourism and Agriculture sectors
- Asset development

The Micro-Economic Development Strategy

The Strategic Objective 1 endorsed the Micro-Economic Development Strategy (MEDS) approach as representing the best practice in ensuring business-led support to growth sectors. However, and as part of the establishment of a WCEDA, PSO 1 mandated the Department to appoint a Working Group to review:

- The identification and prioritisation of growth sectors;
- The institutional arrangements and systems within a WCEDA to give effect to the MEDS strategy;
- The performance indicator mechanism against which we measure the effectiveness of our sector development efforts.

Provincial Skills Development

The Province believes that skills development should be demand-led, both in respect of the immediate needs of business and the medium-term needs of the economy; and it is therefore critical that the prevailing skills mismatch, mentioned above, be addressed. Given the general requirement for skills development and the need for interventions to maximise results, skills development initiatives will need to be prioritised. Skills development programmes will in the first instance attain focus through sector based initiatives.

To this end, and in accordance with the Skills Development Act of 2008, the Western Cape Government will establish a Provincial Skills Development Forum (PSDF) that will include representation from all relevant role players.

Policy developments and legislative changes

During the year under review the national Department of Economic Development introduced the New Growth Path (NGP) as a policy guide to grow the economy and create employment. It must be noted that not all the aspects of the NGP are in line with the PSO 1. The following are the rare areas where there is a closer alignment:

The NGP identified infrastructure development, tourism, agriculture and rural development, and the green and knowledge economies, as critical in growing the economy and creating jobs. It is worth noting that some of the sectors are also regarded as priority sectors by the MEDS.

In some respects there are synergies between the PSO 1 and the NGP, especially the proposed major improvements in government, with a call for slashing unnecessary red tape, improving competition in the economy and stepping up skills development.

Similar to PSO 1, the NGP sets targets for scarce and key skills and identifies the role of government departments and agencies in working to meet these goals.

Programme 6: Tourism, Arts and Entertainment - The National Tourism Sector Strategy's vision is to position South Africa as one of the top 20 tourism destinations globally by 2020. The key objectives are Arrivals, GDP and Job Creation. The key focus areas to achieve these objectives are domestic tourism development, regional tourism development, emerging markets and business events. The provincial Western Cape Tourism Development Framework is fully aligned to the national strategy.

Strategic Objective 1 places strategic importance on growth sectors such as tourism and the related leverage from the creative and cultural sectors. It emphasises destination marketing for tourism, destination marketing for major events. These strategic drivers are highlighted in present delivery and will become more refined upon finalisation of the model and structure of the WCEDA. It is envisaged that all tourism interventions will be implemented by the WCEDA.

Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

For the 2010/11 financial year, an amount of R4.068 million was budgeted. This revenue was to be sourced from following sources:

Liquor licence fees: R3 798 000

Sales of goods and services (Tourist guide registration): R270 000

Revenue budgeted for liquor licence fees was to accrue in terms of tariffs noted in the Liquor Act, 2003 (Act 59 of 2003) and the tourist guide registration revenue in terms of the National Tourism Second Amendment Act, 2000 (Act 70 of 2000).

As at the end of the reporting period, the Department over-collected on its revenue sources by an amount of R 3.2 million or 78.7%. This was primarily due to an increase in demand for liquor licences and tourist guide registration, as well as revenue received from an implementing agent due to accumulated surpluses from a previous financial year.

The total revenue collected during the 2010/11 financial year amounted to R7.27 million.

The following table should be used to provide a breakdown of the sources of revenue:

Programmes	2007/08	2008/09	2009/10	2010/11	2010/11	% deviation from target
	Actual	Actual	Actual	Target	Actual	
	R'000	R'000	R'000	R'000	R'000	
Tax revenue	4 645	4 844	5 505	3 798	6 427	69.2
Liquor licences	4 645	4 844	5 505	3 798	6 427	69.2
Non-tax revenue	5 903	1 101	6 416	270	844	212.6
Sales of goods and services other than capital assets	308	397	358	270	494	83.3
Fines, penalties and forfeits	-	11	-	-	-	-
Interest, dividends and rent on land	6	-	11	-	1	100
Sales of capital assets (Capital Revenue)	-	-	-	-	-	-
Other capital assets	2	-	-	-	-	-
Financial transactions (Recovery of loans and advances)	5 587	693	6 047	-	349	100
TOTAL DEPARTMENTAL RECEIPTS	10 548	5 945	11 921	4 068	7 271	78.7

Departmental expenditure

Programmes	Voted for 2010/11 R'000	Roll-overs and adjustments R'000	Virement R'000	Total voted R'000	Actual Expenditure R'000	Variance R'000
Administration	25 370	- 1 384	451	24 437	24 437	-
Integrated Economic Development Services	68 461	-4 249	75	64 287	64 252	35
Trade & Sector Development	54 742	1 199	-314	55 627	55 242	385
Business Regulation & Governance	20 793	- 2 250	- 1 400	17 143	16 033	1 110
Economic Planning	9 887	2 750	-577	12 060	11 799	261
Tourism, Arts and Entertainment	62 225	-	1 765	63 990	63 988	2
Total	241 478	-3 934	-	237 544	235 751	1 793

Transfer payments

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 1: ADMINISTRATION				
Households (Social Benefits)	216	Not applicable	Not applicable	Not applicable – funds paid to retired employee for leave gratuity
TOTAL	216	216		
PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES				
Casidra				
1. RED Door Programme	30 000	24 082	The RED Door is budgeted on a 13-month cycle. Therefore the budget will be expended by the end of April 2011.	Memorandum of Agreement (MoU); quarterly reports; site visits; regular meetings
2. Spatial Fund	4 900	657	Remaining balances to be rolled over to next financial year to supplement and maintain the Fund in 2011/12. Given that the 2010/11 financial year was the pilot for the Fund, a	

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES (continued)				
			considerable amount of time was dedicated to putting the correct governance and systems in place for a Fund that is being piloted in the country for the first time. A clear plan has been developed that illustrates full financial spend by September 2011.	
3. Work and Skills for 100K	10 000	6 707	Learners enter the programme at staggering intervals and exit 12 months later. Stipends are paid monthly and most learners enrolled during 2010/11 are expected to exit during March 2012	

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES (continued)				
Cape Chamber of Commerce Business Support	550	550		MoU; quarterly reports; site visits; regular meetings
Shanduka Black Umbrellas Business Incubation	500	500		MoU; quarterly reports; site visits; regular meetings
Learning Cape Initiative	1 200	1 200		MoU; quarterly reports; site visits; regular meetings
TOTAL	47, 150	33, 696		
PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT				
Households	7	7		Memorandum of Agreement; Learner evaluations
WESGRO	15 000	15 000		Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings Attendance and participation at strategic planning sessions

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT (continued)				
BPeSA	4 700	4 044	30 April 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports
Cape Clothing and Textile Cluster	950	950		Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports
Cape IT Initiative	4 300	2 700	31 July 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT (continued)				
Cape Town Boat-building Initiative	950	911	June 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports
South African Oil and Gas Alliance	7 500	3 050	August 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports
Western Cape Furniture Initiative (WCFI)	1 250	1 190	May 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT (continued)				
Western Cape Tooling Initiative (WCTI)	1 450	1 280	May 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports
Cape Town Fashion Council (CTFC)	1 250	950	June 2011 R300 for Fashion Friday	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports
Western Cape Fine Food Initiative (WCFFI)	500	10	June 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT (continued)				
Cape Clothing and Textile Service Centre (CLOTEX)	950	870	June 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports
South African Honeybush Tea Association (SAHTA)	260	60	June 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports
Western Cape Aquaculture Development Initiative (WCADI)	800	364	May 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT (continued)				
Cape Town Partnership (CTP)	1 500	899	June 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports; Attendance and participation at Board meetings; Progress meetings; Key performance indicator reports
TOTAL	41, 367	32,285		
PROGRAMME 4: BUSINESS REGULATION & GOVERNANCE				
FASfacts	750	652	15 June 2011	Memorandum of Agreement; Quarterly progress reports; Monitoring reports
NADCAO	200	150	31 August 2011	The project is monitored by the internal unit within the OCP by way of regular monthly engagements with the beneficiary and its management. In addition, the department's monitoring and

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 4: BUSINESS REGULATION & GOVERNANCE (continued)				
				<p>evaluation unit will track the success of the initiatives implemented within identified advice offices and provide an evaluation report. The primary reason for the full amount not been expended by 31 June 2011 relates to the specific initiatives and programmes being coordinated at a national level of NADCAO. This meant that certain pre-arranged project dates were already in place at the time of funding being made available. As these programmes were to be implemented across the country the Western Cape office</p>

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 4: BUSINESS REGULATION & GOVERNANCE (continued)				
			June 2011	programme had to be implemented within the prearranged schedule which was post June 2011.
TOTAL	950	802		
PROGRAMME 5: ECONOMIC PLANNING				
Households	9	9		
TOTAL	9	9		
PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT				
Households	819	819	29 April 2011	Bursary Payments: signed submission approving bursary holders.
Casidra	850	341	The funds will be used by July 2011.	Monthly reports to the Department will be submitted by Casidra
SanParks	1,400	250	The money will only be spent after June 2011 due to the following reasons:	1. Submission of monthly progress reports to the Department by project manager.

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT (continued)				
			<p>a) The erection of an Icon involves infrastructure and due processes need to be followed accordingly. SANParks is still in the process of conducting other things, Environmental Impact Assessment and Quantity Surveying, which may take more than a month to complete and only when completed the actual erection of the Icon will commence.</p>	<p>2. Submission of final report with financial statements once project is completed. 3. Regular site visits by the Department to monitor progress on project deliverables and objectives.</p> <p>Close-off report by the Department at project completion</p>
Cape Peninsula University of Technology	144	144	29 April 2011	<p>CPUT Transfer Payment: MoU entered into & provisions within agreement. QPR reflecting student stipend & allocations</p>

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATE EXPENDITURE R'000	DATE WHEN FULLY EXPENDED	MONITORING MECHANISM
PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT (continued)				
Destination Marketing Organisation	38 205	35 856	R2 349 301. Of this amount: R1, 2 million is for 2010/11 rental. The payment has not been done due to pending issues between the Department of Public Works and the property management. R1 149 300 is the balance from the R2 million transferred by the Department in February 2011 and is earmarked for special projects but will be spent by end of June 2011.	Monitoring of payment will be in a form of CTRU submitting proof of payment to the Department. Monitoring will be through the submission of quarterly progress reports to the Department, including final reports with breakdown of how the money was utilised in implementing the projects.
Cape Craft and Design Institute	3 400	3 400		
Cape Film Commission	3 100	3 100		
Cape Music Industry Commission	555	555		
Performing Arts Network of South Africa	220	220		
TOTAL	48, 693	44, 685		

During the financial year, the Department requests all entities receiving funds via transfer payment to submit a written certificate, attested by the Chief Financial Officer of that entity, stating that the entity implements effective, efficient and transparent financial systems. It should be noted that no funds are transferred without such a certificate being received. Further to this, if a newly established entity is to receive transfer payment funding, the Department further requests that a letter be drafted detailing who the appointed auditors responsible for auditing the financial statements of that entity are.

It should however be noted that no funds are transferred to entities who do not or cannot comply with this request.

Furthermore, the Department also requests that the latest audited financial statements of each and every entity to which transfers are made are submitted before new payments are transferred. In addition to this, it is common practice to stagger transfer payments in order to ensure that significant delivery against each project is tracked. In this regard, the Department also requests all entities to provide project reports on funds transferred.

Asset Management

CAPITAL ASSETS: CASH ADDITIONS	VALUE R'000
Furniture and office equipment	505
Computer Equipment	814
Other machinery and equipment	9
Software	620
CASH TOTAL	1948
MAJOR ASSETS >R5000: NON-CASH ADDITIONS	VALUE R'000
Furniture and office equipment	-
Computer Equipment	-
Other machinery and equipment	-
TOTAL	-

CURRENT ASSETS	
ITEM	VALUE R'000
EQP<R5000: OFFICE FURNITURE	78
EQP<R5000: COMPUTER HARDWARE AND SYSTEMS	80
EQP<R5000: OFFICE EQUIPMENT	48
PHOTOGRAPHIC EQUIPMENT<R5000	1
EQP<R5000: DOMESTIC EQUIPMENT	4
EQP<R5000: PAINTINGS, SCULPTURES & ORNAMENTS	25
SOFTWARE & OTHER INTANGIBLE ASSETS<R5000	5
EQP<R5000: AUDIO VISUAL	12
EQP<R5000: CROCKERY AND CUTLERY	-
EQP<R5000: CELLULAR PHONES	-
EQP<R5000: LINEN & SOFT FURNISHINGS	-
SECURITY EQUIPMENT MAT MOV	-
EQP<R5000: KITCHEN APPLIANCES	8
EQP<R5000: BAGS	-
EQP<R5000: ADVERTISING BOARDS	-
EQP<R5000: SPORT & RECREATIONAL EQUIPMENT	-
TOTAL	261

CURRENT ASSETS (continued)	
NON-CASH ADDITIONS	VALUE R'000
OTHER MACHINERY & EQUIPMENT	-
COMPUTER EQUIPMENT	-
TOTAL	-
GRAND TOTAL	261

PROGRAMME 1

ADMINISTRATION

Purpose

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

Service delivery objectives and indicators

The objective set for the Programme was to maintain a level 3 financial capability model rating while attempting to achieve a level 4 plus rating by the end of the five-year period. Significant strides have been made to achieve a level 4 rating; however the Programme saw the need not to slip up on already implemented measures to maintain a level 3 rating.

This said, much work has been initiated during the financial year to either improve on current processes or the initiation of new procedures to improve the quality of work produced by the Programme. In so doing, the Programme targeted financial management areas such as Management Accounting, Departmental Accounting, Supply Chain Management (SCM) and Internal Control.

With regard to the Management Accounting unit, much effort was spent on the improvement in reporting processes with regard to management information such as reporting on expenditure and other improvements within the planning portfolio such as the compilation of the Annual Performance Plan.

Furthermore, the Programme ensured more accuracy in reporting against predetermined objectives on a quarterly basis by instituting an Audit on Performance Information (AOPI) process managed between the Management Accounting and Internal Control units. This process sets out to ensure the accuracy of information reported against the stated predetermined objectives as contained in the Annual Performance Plan for the 2010/11 financial year.

With regard to SCM, improvement in terms of various registers and databases were prioritised. Case in point was the improvement made with the Asset Register, orders databases and bidding databases to improve functionality and ease of use. Furthermore, SCM also reviewed and revamped procedures to ensure a more efficient and effective bidding process, thereby ensuring value for money and timely completion of projects. Through the SCM unit, evaluations were also conducted to determine whether the Department is needlessly procuring consultants by evaluating whether services procured could be managed in-house to the Department.

A key objective of internal control relates to the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals and compliance with laws and regulations; and in this way the unit contributes to the achievement of the main strategy of the sub-programme,

being the level 4 financial management capability. Pursuant to this the internal control unit ensures the reliability and integrity of financial and performance information.

Major Outputs

As stated previously, the primary aim of the Programme was to maintain a level 3 financial capability model rating while attempting to proceed to a level 4 rated organisation.

The **Management Accounting** unit has successfully achieved all its stated targets for the 2010/11 financial year but for one, namely monthly deviation from cash flow targets. Reasons for this deviation can be ascribed to the change in cash flow targets from one which the Department submitted to Provincial Treasury to the Provincial cash flow projections as provided by the Provincial Treasury. A reason for this shift in projection was to align the cash flow of all Departments with the cash received from the National Treasury.

In mitigation of this misalignment, the Department during the financial year reassessed its delivery targets to ones that would realign the cash flow position to that of the Province through measures such as the recalling of huge transfers such as the RED Door transfer and implementing tranche payments. In all, the Department was able to ensure that all necessary payments due to implementing agents were made timeously and thereby ensure the alignment of cash flow to that of the cash available to the Province.

Other major outputs for the unit in ensuring effective planning, allocation of resources and budgetary control processes, include the first steps in developing a "budget tool" that would allow the Department to produce a more realistic and accurate cost centre allocation for line units. While the tool is nowhere near perfect, significant strides have been made and should see more accurate budgetary allocations being made in the future.

In terms of the **Departmental Accounting** unit, International Standards on Auditing require the Auditor-General to perform an audit that provides reasonable assurance that financial statements are free from material misstatements. The final management report received from the Auditor-General indicated that the Department received an unqualified report free from material misstatements. This Department was rated one of the best performing Departments in a review from the Auditor-General.

The Department also submitted Interim Financial Systems up to 30 September 2010 for the first time during the financial year under review. The statements were submitted timeously to Provincial Treasury and received a favourable report free from material misstatements.

The Department is committed to a 15-day turnaround time for the payment of goods and services, because it is well aware that most Small and Micro Enterprises (SMEs) and businesses owned by historically disadvantaged individuals (HDIs) face huge cash flow problems. With the proper systems and monitoring in place, payments to beneficiaries are processed in fewer than 15 days. This

turnaround time was achieved without any governance standards being sacrificed.

At the beginning of the financial year, the Financial Accounting unit set itself goals to continuously improve on its control measures and maintain its Level 4 rating in a compliance and control environment, where the focus is on effective measurement of how resources are used in the Department. The financial management evaluation was done by Provincial Treasury and in its Financial Governance Review and Outlook report for 2010 the Financial Accounting unit maintained its rating as performing on an aggregate of Level 4.

The **Internal Control** unit has successfully realised their objective by implementing financial processes and controls to assess and monitor the control environment and control activities applicable to financial and performance information.

The audit of performance information process spawned new policy and procedures that improved the verification and subsequent quality of evidence. To ensure the effective, efficient and economical use of state funds, the unit developed procedures that specifically addressed the value for money principle within the procurement structure. This was translated into monthly audits that ensured more frequent monitoring of controls within the procurement process.

The unit also played a pivotal role in developing and implementing an assessment tool to measure the Department's rating in terms of the financial management capability maturity model. This tool objectified various interventions necessary for the achievement of level 4 financial management capability such as improved audit procedures.

Also in response to the demands of the financial management capability level 4, the unit undertook a financial management efficiency campaign to promote and implement efficiency measures in a more structured and tangible manner as well as a capacity-building project. The latter project allowed the sub-programme to identify competency gaps in the staff and prompted many training interventions to close those gaps, subsequently up-skilling the staff to more effectively meet the requirements of the capability level 4.

In terms of meeting the requirements contained in the service level agreement between the Department and the shared corporate services project, the unit played a key role in establishing a Governance Committee that would more robustly drive governance and any related issues, risk management being one component thereof. The Department also successfully completed their strategic risk assessment for 2011/12 thereby performing more effective planning and prompting stronger control measures to achieve realistic objectives.

In terms of **Communications**, the unit played a key role in the drafting of messages the Department wished to convey to both internal and external audiences.

During the past financial year, the unit participated in and coordinated the Integrated Community Outreach Programme jamborees across 13 identified areas of the Western Cape. Departmental

communicators assisted in the distribution and explanation of information to local communities on how to access opportunities in the small business arena and consumer rights.

The Department's in-house publication "Sparks" recorded the achievements of staff, and generally kept everyone informed, among other things. To improve the awareness and image of the Department's work, the unit supported the design and production of all Departmental promotional items.

To date, systems and quality control mechanisms with regard to any form of external communication are implemented to ensure professional and standardised imaging. Interim measures have been put in place in an effort to standardise business cards, letterheads and the application of official logos.

As part of its major responsibilities, the Department published and distributed the Annual Report 2009/10 (in the three official languages namely Xhosa, English and Afrikaans) copies to stakeholders and members of the public in the Western Cape.

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

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 1.2 Financial Management					
Strategic Objective (Outcome Indicator)					
1	Financial capability model rating	3.6	3.6		
Provincial Performance Indicator (Output Indicator)					
1.1	Percentage compliance to the implementation framework	70%	70%		
1.2	Vacancy Rate	Less than 5%	19%	Three staff members left the directorate during the month of March to assume duties in another department. One post become vacant due to Labour Relations Outcome	Adverts have been submitted to CSC for advertising. Where applicable duties have been reassigned to accommodate capacity
1.3	Number of financial efficiency interventions implemented	4	4		
1.4	Actual expenditure as percentage of adjusted budget	99%	99%		

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 1.2 Financial Management (continued)					
Provincial Performance Indicator (Output Indicator) (continued)					
1.5	Average monthly deviation from monthly cash flow forecast	10%	10%		
1.6	Number of IYMs submitted by PT due date	12	12		
1.7	Number of QPRs submitted by PT due date	4	4		
1.8	Ratings received from Internal Control against Level 4 criteria	3.2	3.2		
1.9	Updated Financial Manual	100% updated Financial Manual	100% updated Financial Manual		
1.10	Percentage accuracy and completeness of Asset Register	100%	100%		
1.11	Average number of days for the processing of payments to creditors	Payment to creditors within 15 days	15 days		
1.12	Unqualified Audit report with no other matters on compliance and performance	Unqualified Audit report with no other matters	Unqualified Audit report with other matters	Matters reported on non-compliance with laws and regulations.	
1.13	Percentage of Internal Control recommendations implemented to achieve level 4 (Value for money audits)	100%	100%		
1.14	Number of Auditing of Performance Information reports	18 reports	18 reports		

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 1.3 Corporate Services					
Strategic Objective (Outcome Indicator)					
2.	Awareness Rating	60%	0	This can only be assessed through a survey, which we are currently conducting.	
Provincial Performance Indicator (Output Indicator)					
2.1	Number of Departmental events coordinated and supported	20	15		
2.2	Number of Annual Report copies copied in English	300	300		
2.3	Number of Annual Reports copied on CDs in Afrikaans (300) and Xhosa (300)	600	600		
2.4	Number of official documents translated	20	37		
2.5	Number of Departmental Newsletters	20	2	The HOD has changed this indicator to one newsletter per quarter.	Departmental newsletter completed for the 4th quarter
2.6	Maintenance and update of the Cape Gateway Website	12	12		
2.7	Maintenance of Departmental internet site	12	12		

PROGRAMME 2

INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose

To promote and support economic development through shared partnerships.

Service delivery objectives and indicators

As part of the creation of a more enabling environment for business in the regional districts the roll-out of the Spatial Fund formed another significant component of the Programme's overall package of support to local areas. The Fund, based on the Open Architecture principle, is demand-led. Proposals are considered from groupings of small businesses with common objectives, e.g. productivity improvement, market development and expansion and quality improvement. Despite having launched the Fund towards the end of the financial year and the challenges experienced with the marketing of the Fund and hence the target of five projects assisted not being met, keen interest was shown by businesses wanting to access the Fund. Also, because of the relatively low numbers of applications received, the Programme was able to iron out all teething problems regarding operation and governance of the Fund. The value added by this process included linking all applications with relevant support organisations. We remain extremely encouraged knowing that our systems have been tweaked to adequately assess value-adding proposals by businesses and that a keen interest in demand for the Fund has been expressed by business. For the coming year, there will certainly be an emphasis on marketing the Fund.

The development of the Enterprise Development Fund (EDF) provides an ideal opportunity for the private and public sectors to partner in creating a sustainable vehicle for enterprise development. With more than R12 billion available for enterprise development as per the BBEEE scorecard, corporates are willing to disburse these funds, but not able to do so in ways that will ensure points can be claimed towards their BBEEE status. The Fund is therefore an ideal channel for corporate contributions to flow to worthy SMME projects. The first phase of the roll-out of the fund – the pilot stage – saw 11 SMMEs assisted and the target of 10 being exceeded. Assistance to SMMEs included supplier development, equipment provision, operational and production flow improvements and exhibition support for international trade shows. Notable successes of this project included the assistance of a local manufacturing SMME to exploit lucrative opportunities offered by a major chain store and assisting a local entrepreneur to franchise his current business concept.

The Premier is the champion of and has endorsed the comprehensive business plan detailing the functioning and operation of the Provincial Skills Development Forum (PSDF). The PSDF provides a platform for civil society, government, labour and business to collaborate on generic and sector skills programmes, generic workforce interventions and in devising a framework for human resource

development. Devising a draft bursary framework has been one of the key achievements for this financial year.

Major Outputs

Our multipronged approach to enterprise development yielded good results. Included in the successes were:

- The Social Entrepreneurship Business Plan Competition. In partnership with the International Labour Organisation, The Business Place, SEDA and the National Youth Development Agency, this competition was the first of its kind to be held in the Western Cape. Attracting more than 70 entries and through a rigorous adjudication process, eight of the 15 shortlisted entrants were declared overall winners. As part of its enterprise development contribution Ngubane and Associates, a national audit firm, provided free auditing of the programme and operations.
- Cape Town Entrepreneurship Week (previously known as Small Business Week). This long-running event – from 2001 – was a massive step up from the previous events and departed from the usual exhibition-style approach. The individual components which ranged from policy discussion workshops to hands-on mentorship took place over a period of seven days and attracted more than 1 500 people. This gradual build-up of smaller, hard-hitting interventions culminated in a one-day SMME development think-tank that attracted for the first time in the history of the event international experts and delegates. A total of 141 experts and representatives attended this event.
- The RED Door programme, despite the announcement of its rationalisation and the expected migration of potential and existing SMMEs to other support centres and agencies, still recorded some significant success. This included leveraging commercial and public sector (dti incentives, municipal grants, etc.) financing for clients to the value of close onto R 22 107 127.26, assisting SMMEs to successfully win tender opportunities to the value of R48 454 864.76. In the process of assisting SMMEs, the programme facilitated close onto 3 000 jobs.
- Daimler-Chrysler/Mercedes Benz for the third consecutive year chose the Department as its partner to roll out their Youth Entrepreneurship programme. This year the programme attracted more than 20 entrants who all qualified for the extensive business training. Hard work and perseverance resulted in three winners emerging from the competition. All three clients were recipients of support services provided by the Department. The crowning moment was when it was later revealed that one of the participants had secured a fully-paid and sponsored business study trip to the United States.
- The Legacy Mentorship Programme provided non-financial support, in the form of mentorship, to SMMEs with the intention of increasing business sustainability and growth. The key pillar of the programme was to leverage the available skills pool of retired and semi-retired executives across the province. The Department conceptualised the programme, including benchmarking from Khula Thuso Mentorship Programme, Business Partners Mentorship Programme, Ilima Trust Mentorship Programme and PUM Mentorship Programme.

The key highlights of the programme were as follows:

- Minister Winde championed the awareness campaign in the pilot areas that included Eden District and Cape Metro and launched the project in Ottery at the business premises of one of the mentees.
- The Department secured a matching tool that was integral in matching the needs of the SMMEs with the skill competency of the mentors.
- Fifty-one SMMEs were assessed to establish business needs and successfully mentored.

The Economic Empowerment sub-programme, despite being allocated a limited budget, surpassed all its targets. After securing additional resources during the adjustment estimate period, it went on to embark on some noteworthy projects. Its supplier development programme focused on projects such as the construction of the Mitchell's Plain Hospital, a housing development in Pacaltsdorp and suppliers of goods and services to the University of the Western Cape, and was a huge success. These three interventions on their own assisted more than 120 small contractors and helped SMMEs to access more than R57 million in supply chain opportunities. Other significant projects undertaken in partnership with others included:

- In partnership with Provincial Treasury the hosting of four Supplier Open day events in Khayelitsha, West Coast District Municipality, Witzenberg Municipality (Ceres) and Hessequa Municipality (Riversdale). In attendance were all the relevant SMME support organisations and agencies – SARS, Khula, ABSA Bank, etc.
- Business Incubator project with Shanduka Black Umbrellas. This fledgling incubator, one of only three in the Cape metro, buzzing with young entrepreneurs, is destined to be the nest and launch pad for many a growth-oriented SMME.
- Masons Stationery. This exciting project attracted an initial 200 women potential entrepreneurs of whom, through a rigorous process of evaluation and assessment, 25 were successful in acquiring mini stationery franchises and start-up funding for equipment and inventory to the value of R150 000 each.

The Municipal Capacity Support Programme (MCSP) also undertook two capacity building interventions, one in Overberg and the second targeted at all municipalities in the province. A further two local participation projects were completed. The first of them looked at providing access to LED maturity assessments with the City of Cape Town, Cape Winelands and the Overberg region. The second project, with an outcome of building and strengthening networks for collaboration, looked at cross-border collaborations. It was a platform created for dialogue between the City of Cape Town and its immediate neighbouring municipalities to share best practice and benefits experienced in developing and implementing sound economic plans. It also identified challenges and synergies that could be harnessed for more effective economic development efforts in the province. The RLED unit coordinated the engagements and facilitated discussions that focused on the following areas:

- Spatial trends
- Corridor development
- Human settlement plans and
- Local Economic Development

MCSP also addressed strengthened inter-governmental relations between local and provincial government and supported district LED forums in all regions to ensure:

- that sound local Government LED strategies and implementation plans are pursued which are sustainable and that reliable economic information/data is established and maintained to promote economic development in localities;
- support for effective Government coordination of support services and interventions; implementation of awareness initiatives to improve coordination, alignment and effectiveness of Government policies and programmes;
- it addresses challenges and facilitates the creation of an environment conducive to economic growth, and dissemination of good practice in LED;
- responsiveness to local level priorities.

The year also signalled the launch of the first Provincial LED Forum hosted by our department and aligned to the provincial agenda on inter-governmental relations. The PLEDF supports the objectives of:

- promoting and facilitating intergovernmental relations and cooperative government between the Provincial Government and municipalities in respect of local economic development,
- promoting unity of purpose and coordination around the department's development priorities as well as that of the municipalities, and
- ensuring integrated, effective and efficient service delivery.

The Workforce Development unit continued its work on the strengthening of the relationships between the FET colleges, the private sector and the SETAs and DEDAT. This has yielded great benefits during 2010/11 by leveraging financial and non-financial resources viz: access to mentors and organisations for placement in rural areas. DEDAT through its relationship with the Seta Cluster has leveraged funding for the creative industries through the MAPPSETA. Collaboration with the Wholesale and Retail SETA (W&R SETA) resulted in the department leveraging R7.2 million from the SETA for the Work and Skills programme.

The Work and Skills project was developed with the objective of giving unemployed youth the opportunity to gain skills and work experience in order to boost and improve their chances of full-time employment. To date more than 2 370 young people have been put through the programme. Other successes of this project include:

- Apart from learners being provided with skills training opportunities and work experience, the Work and Skills Programme provided an opportunity for 569 learners to be employed permanently.
- Support from the Wholesale and Retail SETA, which has not only recruited participants, but also secured hosting opportunities with employers in the sector. In addition, the SETA has provided

learners with 30 hours of accredited training.

- Support from local stakeholders ensured that learners recruited from the relatively rural FET Colleges, i.e. South Cape, Boland, West Coast, received basic and advanced skills training and were placed with employers within these areas.
- The South African Oil and Gas Alliance hosted learners with technical interests in areas such as boilermaking, welding and fitting. DEDAT was then able to secure more than half a million rand for stipends for the learners.
- In partnership with our Tourism Unit the project was able to recruit learners from the FETs and Higher Education Institutions and place them with host employers within the hospitality industry. A corporate, Radisson Blue Hotels, was so impressed by the project that they agreed to employ more than 10 young people on a permanent basis.

Independent monitoring and evaluation conducted on the project revealed that 80% of the learners who have been through it indicated that they had materially benefited from the programme.

Major Success Stories

Although the projects and interventions of the Programme strive to deliver service on scale, the relentless quest is to ensure that the services make a meaningful difference in the lives and work of individuals and groups.

The work of the Enterprise Development sub-programme through its RED Door and related projects delivered real meaning to individual entrepreneurs. The following are some of the individuals who thoroughly exploited the assistance provided by the Programme:

1. Greenworld Chemical Services

This start-up business opened its doors in March 2010 and approached the RED Door for business assistance. The owner, Patrick Langeveldt, being a trained and very experienced chemist in the pharmaceutical industry, spotted a gap in the firelighter market and decided to put his experience to the test and manufacture firelighters. Patrick was dogged about his belief that firelighters could be manufactured at a lower cost than the established rivals. He was also very sure about one fact – he might know how to manufacture the product, but was short on the marketing skills and expertise. Through the assistance of the RED Door he addressed this shortcoming and because his product was of such good quality, he quickly landed a contract to supply a major retail chain store. Not only did he secure a long-term contract, but this well-established retailer agreed that Patrick's product be marketed as its house brand – a tremendous vote of confidence in the quality of the product.

The contract with the retailer soon faced a significant challenge encountered by most growth-oriented small businesses – capacity to deliver demanded quantities. With the business not operating long enough to build up a financial history, going the commercial funding route proved another challenge. Turning to the Programme's Enterprise Development Fund for assistance, Patrick put a strong business case together to access support. After thorough diagnostics the Enterprise

Development Fund agreed to assist Greenworld in the areas of production capacity and financial and administration management. For the former, Patrick was then able to acquire a wrapping and cutting machine which has enabled him to increase productivity and output significantly. For the latter, the Fund assisted him to acquire a software package that has automated much of the financial and administrative management. In both cases Patrick has not only been able to begin to satisfy the increasing demand, but also concentrate on increasing his product range and expanding his market to other retailers.



The Greenworld Chemicals factory in Brackenfell

2. Season's Find 1199 cc



Michael Blaauw

The sky is the limit for entrepreneurs like Michael Blaauw, a man who endured the ups and downs of the building industry to move from worker to contract entrepreneur and in the process make a difference in almost 100 people's lives.

Michael, knowing the risks of attempting it alone in the building industry, approached the Knysna RED Door for assistance. He had a potential joint venture (JV) partner in mind, but needed assistance to craft a decent contract between himself and the major construction company to enable him to deliver on the agreed items as per the JV agreement. Given Michael's enthusiasm and persistence, RED Door provided a comprehensive package of assistance which included business and legal advice, tender and financial advice. The good relationship between the RED Door and the Knysna Municipality smoothed the way for the former to successfully broker bridging finance for Season's Find 1199 cc.

The result of this intervention was that Season's Find 1199 cc was able to enter into a JV with a major construction company and thereby accessed a tender to construct rafting and retaining walls in preparation for the construction of 200 houses in the Knysna area. The tender was worth

close onto R11 million. In the process of delivering on the tender, Michael has created employment for almost 100 unskilled and semi-skilled people from the area. Michael is extremely proud of two facts – one that he was able to climb his way to the top in an unforgiving industry, and secondly that he has been able to make a difference in the lives of 98 Knysna residents by providing them with employment.



Knysna Red Door's comprehensive business advice to Michael Blaauw enabled him to enter into a joint venture with a major construction company and subsequently he created employment for almost 100 unskilled and semi-skilled people from his area

3. 1st Gear

Starting as an informal business back in 1996 Yusef Stemmet, owner of 1st Gear, gradually nurtured his business, building on the proven recipe of people empowerment and development. By 2002 he had formalised his business and today has a successful company that employs 15 people – 10 permanent and five project workers. The business operates within a niche market of the construction industry and specialises in the construction of hospitals and police stations. It also renovates old buildings and railway stations.

However, Yusef's reputation as being a quality and reliable builder has meant that he received more orders than he could deliver. This put severe strain on his time and capital resources. Yusef approached the Enterprise Development Fund. After the business was subjected to a rigorous

evaluation and diagnostic assessment, the Fund assisted 1st Gear to acquire building equipment and software applications to beef up the company's financial and administrative management. This assistance has put the business on a solid road to delivering on increasingly bigger projects. No longer does the business need to rely on constantly hiring plant and equipment, it now has acquired its own capital equipment. In this way not only is it able to maintain its valuable 5GB rating with the CIDB, but also to tender for larger, more lucrative jobs.

4. New Coe Knits

The tribulations and challenges faced by small businesses such as 1st Gear and Greenworld are familiar territory for growth-oriented New Coe Knits cc. This family-owned business started out 10 years ago in a garage, manufacturing and selling garments. This was done using two aging knitting machines purchased at a redundant sale. Through sheer hard work, passion and commitment, this business showed tremendous organic growth over the past few years and now has 20 fully automated Stoll machines capable of handling all types of knitwear for non-retail customers.



The Enterprise Development Fund contributed towards New Coe Knits' acquisition of productivity improving and production computer software and the subsequent increase of their staff complement.

After making a compelling case for assistance from the Enterprise Development Fund, the business was assisted with acquiring productivity-improving design and production computer software. This has added a much-needed modern technology component to the business, but more importantly, enabled it to go ahead with a merger that required them to show significant capacity to design and manufacture. New Coe Knits has increased its staff capacity by 60 people.

5. Masons Stationers

The economic empowerment of those who were previously disadvantaged is more than just a success story. It is about restoring pride and dignity to individuals who are then able to carry this through to their respective communities. A case in point is the partnership between the Department (via the Programme), Masons Stationers, W&R SETA and SAPPI.

This multi-million rand project – W&R SETA has contributed R5 million towards training and stipends – employs a distillation methodology that results in entrepreneurs being properly identified and provided with the necessary support to exploit sustainable business opportunities. After being

approached by Masons Stationers, the Department adopted the project as a key deliverable for supplier and start-up business development. The objective of the project is the starting up of 100 women-owned small businesses. The Programme was requested to provide the details of 50 women from its database as part of the pilot phase of the project. This was done and of the initial intake of 50, 25 successfully completed all the project phases – from initial assessment through to the New Venture Creation Qualification.



The Department's project for supplier and start-up business development brought Masons Stationers on board and resulted in 25 success stories of previously disadvantaged women moving from unemployed to owning and running their own small businesses.

Through the provision of non-financial support by the Programme to the eventual "winners" the 25 women were each awarded between three and five stationery vending machines, infrastructure support, back office support, a full range of start-up stock and dedicated mentorship and coaching during the start-up phase of their businesses. The success of this project has prompted Masons Stationers to request the Programme to assist with the expansion of the project into the rural areas. Thus the project has resulted in 25 success stories of previously disadvantaged women moving from being unemployed to owning and running their own formalised small businesses.

6. Supplier Development in Pacaltsdorp and Mitchell's Plain

Another success story was the implementation of the Competitive Supplier Development Programme that was rolled out in two projects, namely Pacaltsdorp Emerging Builders and the Mitchell's Plain District Hospital.

In Pacaltsdorp, the local builders approached the Programme for assistance with the building of 250 low cost houses in Pacaltsdorp. Numerous attempts to secure work and procurement opportunities from the main contractor, Sea Kay Builders, had fallen on deaf ears. The Programme became involved and after protracted negotiations, the main contractor agreed to award the local builders the opportunity to build 250 houses. The group realised that despite their combined building experience, they lacked project management and business skills. The Programme assessed the competence and skills of the group and engaged a service provider to provide

comprehensive assistance to the group. The package of support included workshops on project management, as well as quality, business skills and importantly, on-site assistance and monitoring during the building process. The latter proved to be invaluable to the small builders.

The combination of the support package provided by the Programme and the passion and enthusiasm of the group resulted in productivity and quality levels leapfrogging from lacking to excellent. So much so that the main contractor, from being pessimistic about the ability of the group, has become an ardent supporter of the group and has provided them the opportunity to build an additional 450 houses. Their success has not gone unnoticed. The local municipality has expressed interest in using the Pacaltsdorp Emerging Builders' Forum as a main contractor.

In Mitchell's Plain, the targeted beneficiaries of the Mitchell's Plain District Hospital, represented by the communities of Mitchell's Plain and Philippi, received assistance from the DEDAT's Supplier Development Programme (SDP). After being assisted with project management, costing, tendering and financial management through the SDP, these emerging contractors were awarded sub-contracts as part of the construction of the hospital. The Supplier Development Programme was a mixture of workshop and practical on-site training. Not only have these emerging builders now been put in position to deliver good quality workmanship and on time delivery, they are now able to confidently offer their services to a wider range of main contractors in both the private and public sectors.

7. Provincial LED Forum

The Department successfully launched the first ever Provincial LED Forum in the Western Cape on 1 February 2011, which aimed to bring all the municipalities in the province together to address economic development issues in a coordinated fashion. The launch event was attended by representatives of Municipalities, the South African Local Government Association (SALGA), the Independent Development Trust (IDT), Central Karoo Development Agency, and the Provincial Departments of Local Government and Agriculture. Municipalities participated robustly in discussions around the role and value of such a provincial initiative to strengthen IGR that culminated in the adoption of Terms of Reference for this bi-annual forum. The PLEDF was a key intervention of the Department's Municipal Capacity Support Programme for 2010/11 that focused on improving the technical skills of LED officials at local level to strengthen their capacity to deliver on LED. The purpose of a Provincial LED Forum is to ensure: effective coordination of support services and interventions; implementation of awareness initiatives to improve coordination, alignment and effectiveness of Government policies and programmes; addressing of challenges; facilitation of the creation of an environment conducive to economic growth; and dissemination of good practice in LED. In preparation of the establishment of the PLEDF, the Department's LED officials engaged municipalities throughout the year on the purpose and content of the forum. All municipalities consulted have indicated their approval for such a forum, which will serve as a platform for cooperation and learning. This means that municipalities will be able to share best practice experiences with one another. This could also lead to a reduction in the demand for consultant-driven services as municipal officials become skilled in the discipline.

8. Prestige Clothing

The Work and Skills Programme, although having seen more than 2 300 learners pass through it over past few years, has achieved in some cases results that instead of being only realised in the medium to long term, are realised in the short term. The objective of the programme is to generate youth who are skilled and experienced, i.e. "work ready". The programme then provides a 12-month exposure to work for young people with the advantage of exploiting the opportunity to gain much-needed skills. After this stint the participants are then expected to explore the job market in order to secure decent employment.



Mr Alan Winde, Western Cape Minister of Finance, Economic Development and Tourism, visited the Prestige Clothing Facility in Maitland to observe the success story of young people being employed through the Department's Work and Skills Programme.

A case that has brought much encouragement and confidence in the programme is that of one "host employer", Prestige Clothing, with factories in Salt River and Caledon. Led by a very dynamic entrepreneur, this employer was one of the first to partner with the Department on the programme and has for the past three years been a keen supporter of the programme. During this year the quality of the participants recruited into the programme has so impressed Prestige Clothing that not only did they up their intake from an average of 40 to 80, but they have committed to employing, on a full-time basis, 75% of every intake of young people they receive from the programme. Not only is this a huge vote of confidence in the programme, but significant in chipping away at youth unemployment in the province.

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: Enterprise Development					
Strategic Objective (Outcome Indicator)					
1.1	Number of new businesses established	720	720		
1.2	Number of businesses expanded/sustained	720	294		
1.3	Value of funds leveraged	R5.5 million	R22 million		
1.4	Value of opportunities for SMMEs realised	R20 million	R 48 million		
1.5	Number of jobs facilitated/sustained	2 880	2 893		
Sector Specific Indicators (Output Indicators)					
1.1	Number of existing SMMEs supported	720	2 879		
1.2	Number of new SMMEs developed	720	5 263		
1.3	Number of existing cooperatives supported	15	130	Co-op interest has increased significantly due to dti incentives	
1.4	Number of new co-ops developed	15	152	In finalising the rationalisation of the programme potential clients were referred to alternate sources of assistance.	
Provincial Performance Indicators					
1.1	Number of walk-ins	25 000	20 269	In finalising the rationalisation of the programme potential clients were referred to alternate sources of assistance.	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: Enterprise Development (continued)					
Provincial Performance Indicators (continued)					
1.2	Number of pre start-ups assisted with proactive interventions	6 250	5 263	In finalising the rationalisation of the programme potential clients were referred to alternate sources of assistance.	
1.3	Number of businesses assisted with proactive interventions	6 250	2 879	In finalising the rationalisation of the programme potential clients were referred to alternate sources of assistance.	
1.4	Number of pre start-up cooperatives assisted with proactive interventions	15	152	Co-op interest has increased significantly due to dti incentives	
1.5	Number of existing cooperatives assisted with proactive interventions	15	130	Co-op interest has increased significantly due to dti incentives	
1.6	Number of SMMEs receiving mentorship	50	51		
1.7	Number of pilot projects initiated to support the establishment of social enterprises	3	8	The agreement by the International Labour Organisation to partner DEDAT meant that the number of projects could be increased.	
1.8	Establishment of Provincial Social Entrepreneurship forum	1	1		
1.9	Establishment of Provincial Enterprise Development forum	1	1		
1.10	Number of existing SMMEs receiving capacity building through ED Fund	10	11		

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: Enterprise Development (continued)					
Provincial Performance Indicators (continued)					
1.11	Number of corporates partnering on Enterprise Development projects through ED Fund	2	0	The impending EDA has put a hold on the establishment of a S21 company - a necessary condition for the establishment of an accredited ED fund.	
Sub Programme 2.2: Regional & Local Economic Development					
Strategic Objectives (Outcome Indicators)					
1.1	Number of municipalities with improved capacity to contribute to economic growth and development	6	6		
1.2	Value of funds leveraged	R2 million	R 85 000		
1.3	Number of businesses expanded/sustained across municipalities	10	2		
Sector Specific Performance Indicators					
1.1	Number of economic development projects supported at local and regional level	5	1	Limited sound applications resulted in only 1 application (out of 8) being approved.	A comprehensive communications drive to increase awareness of the Fund will be undertaken in the coming year.
1.2	Number of LED strategies aligned to PGDS and other spatial development plans	6	8	Selecting Eden district for the alignment exercise meant that eight municipalities had to be included in the alignment exercise.	
1.3	Number of capacity-building interventions to municipalities	2	2		

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub Programme 2.2: Regional & Local Economic Development (continued)					
Provincial Performance Indicator					
1.1	Number of LED Forums supported	5	5		
1.2	Number of Provincial LED forums established	1	1		
1.3	Number of local projects supported that contribute to economic growth and development	2	2		
Sub-Programme 2.3: Economic Empowerment					
Strategic Objectives (Outcome Indicator)					
1.1	Number of economic opportunities realised	100	111		
1.2	Value of economic opportunities	R10 million	R 71 million		
Sector Specific Performance Indicators (Output Indicators)					
1.1	Number of target group specific opportunities identified	1 000	1 104	Increase in both demand by target groups and willingness of providers to co-operate	
1.2	Number of target group specific interventions	100	116	Increase in both demand by target groups and willingness of providers to co-operate	
1.3	Number of target group specific opportunities realised	100	185	Increase in both demand by target groups and willingness of providers to co-operate	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 2.3: Economic Empowerment (continued)					
Provincial Performance Indicators					
1.1	Number of private sector engagements to support economic empowerment	5	7	Increased requests for engagements.	
1.2	Number of inter-departmental and municipal engagements promoting economic empowerment	17	20	Increased requests for engagements.	
Sub-Programme 2.4: Workforce Development					
Strategic Objectives (Outcome Indicators)					
1.1	Number of jobs facilitated	800	485		
1.2	Functioning provincial HRD body represented by all stakeholders	1	1		
1.3	Value of funds leveraged	R10 million	R10.8 million		
Provincial Performance Indicators (Output Indicators)					
1.1	Number of people trained	500	611	Additional youth trained to allow for take up by firms and to cater for potential fall-outs	
1.2	Number of HRD projects supported	6	6		
1.3	Number of collaborative interventions between stakeholders	3	3		

PROGRAMME 3

TRADE AND SECTOR DEVELOPMENT

Purpose

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

Service delivery objectives and indicators

The industry development, trade and investment promotion functions lie at the heart of regional economic development and industrial policy as stated in the five-year plan, and as guided by the Micro-Economic Development Strategy. This flows into the high-level policy approach of the new government, through Strategic Objective One, with its focus on economic growth, driven by the private sector, and facilitated through the state. This emphasis on demand-led, private sector-driven government support for growth sectors, industries and businesses, forms the core of the approach of the various sector teams within TSD. Through intimate knowledge of each sector, the Department has forged strong relationships with a wide range of key players across each sector, which have been formalised into industry-driven section 21 bodies, the so-called Special Purpose Vehicles (SPVs).

The Department has exceeded its target of supporting 11 clusters, with the facilitation of two new SPVs being the GreenCape Initiative, as well as the Western Cape Fine Food Association (WCFFI). A key measure of the buy-in to the cluster initiatives by the private sector is the growth in membership, which reflects increasing confidence and trust in the SPVs. This is supported by the outcome measure reflecting the value of funding leveraged. This indicator reveals the trust in the corporate governance of the SPV by both members as well as outside funders, particularly at a national level. For the first time, the income from outside funders exceeded the provincial transfers provided to the SPVs, reflecting the high levels of confidence in the model. What is particularly important is the recognition and funding being awarded by national government departments, including Trade and Industry, Science and Technology, Economic Development, Labour and Public Enterprise for the SPVs.

The existence of SPVs allows the private sector within each to direct their key constraints and growth opportunities through a single channel that works directly with government, and allows for the development of interventions to address and resolve the challenges and take advantage of opportunities. The SPVs also provide the channel through which skills interventions, small business support; infrastructural projects and innovation activities can be directed in the most efficient, demand-oriented and cost-effective manner.

The key targets which have been exceeded are the number of people trained, the number of jobs facilitated/sustained and the value of investments and trade. The number of businesses assisted with proactive interventions is 70. This indicator reflects deep firm-level interventions aimed

at the transformation of key firms towards world-class standards, through the implementation of benchmarking, mentorship, productivity improvement programmes and world-class manufacturing methodologies. These programmes have been increasingly successful in building a cohort of highly competitive and healthy firms, which are willing to lead transformation and growth within the sector.

Innovation has become a key function within dynamic outward-oriented economies, and is accredited with providing the means through which firms can be globally competitive, both in terms of process as well as product innovation. The newly formed innovation forum focuses on the membership base, and the number of substantial engagements regarding innovation. The key focus moving forward will be on improving the connections, functionality and dynamism of the regional innovation system.

The role of Wesgro in attracting investments and assisting firms with exports is a critical function in a growing economy. To encourage a more dynamic interplay between the SDAs and Wesgro, the department has included for the first time the number of joint interventions regarding the investment pipeline. This will draw on the marketing strengths of Wesgro, and the in-depth sector knowledge and leadership of the SDAs.

Economic infrastructure is recognised as playing a critical role in promoting sustainable economic growth, improving international competitiveness and making growth more inclusive. Globally competitive cities and regions have placed significant emphasis on infrastructure development, which involves a complex combination of social, economic, planning, construction and management activities. These come together to improve economic stability and infrastructure of a geographical location, but ultimately also results in improved urban landscapes and social cohesion. The Department has recognised the need for government-supported economic infrastructure due to the following reasons:

- A lack of efficient regulatory processes which impact on the cost and speed of doing business;
- The monopolisation of limited infrastructure by dominant companies, thereby inhibiting competition;
- Geographic clustering of activities and companies to maximise synergies and reduce costs of business through the provision of common services;
- Maximisation of the economic potential of existing infrastructure and assets in spatial locations to re-address under-investment and geographic racial imbalances in deprived areas of the region; and
- Where infrastructure is viewed as a public good or loss leader and regarded to be necessary to improve competitiveness and growth, but will not be sufficiently viable or profitable for the private sector to invest in during the initial phase.

To this end, the establishment of Cape Catalyst provides a set of economic-related mega-infrastructure projects which will provide a bedrock from which to substantially and sustainably unlock the economic growth and act as a major stimulus for job creation. The programme kicked off with the following five infrastructure projects, which are at different stages of development and exploration:

1. Provincial Telecommunications Infrastructure Strategy: A comprehensive provincial telecommunications infrastructure strategic framework and implementation plan.
2. Saldanha Industrial Development Zone (IDZ): A purpose-built industrial estate linked to the international port, which contains a controlled customs, secured area in the Saldanha Bay area.
3. Planning Framework for the Port Precinct: A consensus Development Framework for the precinct of the City that surrounds and directly interacts with the Port of Cape Town.
4. Cape Health Technology Park: A world-class innovation facility which will culminate in the co-location of innovative firms, government and academia health innovation programmes, and business and innovation support organisations.
5. East City Design Initiative / The Fringe: A design-focused precinct in the eastern CBD.

'Infrastructure and game-changing mega-projects' is one of the five key thrusts of the Western Cape's Strategic Objective One. The Cape Catalyst forms a critical component of this infrastructure action pillar. The Cape Catalyst initiative serves to demonstrate that this is a strong government which will create infrastructure and provide a robust economic platform on which to enhance its citizens' access to an open opportunity society.

Major Outputs

Overall the Programme exceeded most of its targets for the financial year 2010/11, which were carried out in a weak economic climate, with the recession only bottoming out towards the end of the year. Of the 24 Programme performance targets, 14 were over-achieved at 63%.

Given recent developments in the global domestic economy, the target for the 2010/11 financial year has been revised within certain bands to allow for flexibility as economic conditions play out in the coming months, impacting on the investment environment. Wesgro's investment target, therefore, has a lower band of R721 million and an upper band of R1.342 billion.

Despite the decline in FDI inflows into South Africa by 77.6%, Wesgro has exceeded its investment targets set for the 2010/11 financial year. Wesgro committed six investment projects, with the investment amount totalling R1 516 584 222, resulting in the creation of 325 jobs. In addition, Wesgro exceeded its target for the number of new investment projects in the pipeline, recruiting 31 projects against the targeted 25. This reflects a positive interest in the Western Cape, possibly driven by the higher than average growth, as well as the positive political environment.

Furthermore, Wesgro exceeded its trade target for the number of companies assisted with export. The Agency assisted 734 companies against the targeted 183.

The Cape Marketing Alliance (CMA) was a new initiative that was to be initiated by the Programme, focusing on the coordination of the many Western Cape stakeholders and organisations involved in various aspects of marketing the region to bring about a coherent marketing message and a shared image of the region. With the launch of the Strategic Objective One, however, the Cape Marketing Alliance concept was superseded by the Future Cape initiative, which envisages a much

more comprehensive mandate for marketing the region than the simplistic coordination function proposed by the Cape Marketing Alliance. As a result of the CMA project being withdrawn and the Programme focusing on the Future Cape initiative, the two performance indicators relating to Cape Marketing Alliance were not met.

Despite the fact that significant funding expected from the National Skills Fund was not forthcoming for the skills interventions within the prioritised sectors, the Programme exceeded its initial target of the number of people trained from 400 to 448. As a result of the funding short-fall, the nature of the skills programmes was modified. But quality and relevance was maintained as high take-up rates into firms are expected. The number of businesses assisted with proactive support is 70, reflecting the confidence of firm-level programmes run through the SPVs and supported by the Department. This is echoed by the increase in membership across the existing SPVs, as well as the addition of the two new SPVs into the fold.

As raised under the Cape Catalyst, the Programme met its target of supporting five infrastructure projects, with detailed feasibilities under way in each of these projects. A complex innovation environment, with a wide range of stakeholders, still allowed the Department to reach its innovation targets.

Sub-Programme Achievements

The sub-programmes cover three sector portfolios, being manufacturing, service sectors and resource-based sectors.

Manufacturing Sectors

The manufacturing sectors have performed above average in most of their key deliverables, meeting and exceeding in a number of cases their membership targets. The only under-performance was reflected in two of the clothing SPVs where committed funding from the new Industrial Development Corporation (IDC) incentive programme was delayed, and will only flow through in the new financial year. The introduction of the new incentive scheme, which was conceptualised by the clothing clusters, will in fact lead to a massive injection of investment into the clothing industry, and could well lead to the long-awaited turnaround in the clothing industry. This has gone hand in hand with the introduction of a completely new structure for the industry, which sees a new set of relationships between retailers and manufacturers.

The value of investment and trade for oil and gas was exceeded by a ten-fold multiple of the target. This is due to the setting of a low target due to concerns regarding the impact of 2010, and the construction activities on A-berth, which were only due for completion at the end of 2010. This turned out to have a minimal impact on the value of oil and gas services, and was also countered by a strongly rising oil price and positive outlook for the oil and gas industry.

Western Cape Tooling Initiative (WCTI) was established to grow the Western Cape TDM industry, market its capabilities and invest in rapid skills development and advanced toolmaking training. During the

2010/11 financial year strong emphasis was placed on market, enterprise and skills development. They facilitated a process where skills development was provided to students at a basic level, as well as providing artisan skills that prepared them for placement in the tooling industry. The WCTI completed training with 31 students (PDIs); six were RPL candidates and the other 25 learners (10 female). All completed their four-phase theory certificates. The WCTI also provided management development training for seven owner/managers of tool rooms in 2010 at University of Stellenbosch Business School.

Regarding tooling, the WCTI benchmarked 12 toolrooms and two large manufacturers to assess business management capacity in the tooling sector and to improve their effectiveness and competitiveness. Eight companies were assisted with training on Project Management, Costing, Marketing and CRM. Further assessment will be done on these companies to determine the impact of these interventions on their businesses. Swiss Contact (the project managers) facilitated this project in collaboration with SAIBL. SEDA was also involved and will continue to offer funded interventions in the sector. The WCTI met and exceeded their membership and funding leverage targets.

The Western Cape Furniture Initiative (WCFI) played a significant role in creating an environment for the stakeholders in the furniture industry to address issues and challenges in a coordinated way for the development and growth of the industry. Research was conducted through the benchmarking process and the value chain analysis to ensure that the initiative will focus on programmes and interventions that will improve the competitiveness of the furniture industry. The Cabinet Making course that runs over three years will be completed in June 2011. The WCFI successfully hosted the Furniture Design Competition at the Design Indaba in February 2011. The initiative met and exceeded its membership and funding leverage targets.

The Services Sectors

The services sectors cover the Business Process Outsourcing (BPO) and Information Communication Technology (ICT) sectors, which are both priority sectors for the Department. Both sectors saw a marked slow-down in investment and activity during the year in question, although membership targets were exceeded by the SPVs. Highly ambitious funding-leveraged targets were set in these sectors, which was exceeded in the case of ICT with some exciting new projects being established in the Cape. Business Process enabling South Africa (BPeSA) only narrowly missed its target of R21 million, despite a major injection from the SETAs failing to be realised. This was largely made up by other funding sources, most notably being the Business Trust. Attracting international investors is a core focus of the BPO sector body. In this vein, one major investment to the value of R150 million, facilitating the creation of 1 000 jobs, has been realised. In addition to this, six official international delegations were hosted in the last year. In its mandate to both develop and promote the industry, the sector body has successfully trained 270 unemployed individuals, as well as securing a membership base of 155 members. The unit has also been investigating the establishment of capacity regarding the financial services sector, with some exciting projects under development.

During 2010/11 the Cape IT Initiative implemented its Capaciti 1000 project; a skills delivery model and high-end pilot skills programme to alleviate the critical shortage of analyst skills experienced by major IT employers across the Province. Through this programme, the Cape IT Initiative managed

to exceed both its funding-leveraged and membership targets, as both the additional members recruited and more than seven million funding leveraged resulted from an increasing programmatic focus by the CITI to deliver responsive, industry-led skills development programmes.

The Bandwidth Barn is the oldest and arguably the most sustainable technology-focused shared services and incubator facility servicing ICT enterprises in Africa, and has received global recognition. During the year a further output for the Department's ICT unit was the initiation of the first phase of the expansion of the Bandwidth Barn infrastructure and model. Preliminary results in terms of the regional impact are very positive; over the last five years the BWB has serviced more than 260 ICT firms, facilitated and sustained 678 jobs and generated collective turnover growth of 228% amongst its SME clients.

The Resource-Based sectors

The resource-based sectors reflected a strong performance meeting their funding targets and membership targets. The Western Cape Aquaculture Development Initiative (WCADI), which was established to assist with the implementation of their five-year plan, provides support to enhance growth and promote mutual collaboration between various stakeholders for the development of the aquaculture sector. WCADI was made fully operational through the appointment of a CEO on 1 November 2010 and has substantial industry buy-in. It succeeded in significantly increasing its membership participation and leveraged a significant amount of funding through financial and in-kind support.

The Fine Food Initiative was established during the year, and very quickly built up its membership base and partnership funding. The year has been somewhat of a foundational year for the resource based sectors, with more tangible delivery and impact being expected in the following year.

The South African Honeybush Tea Association (SAHTA) with support from the Department continued with the implementation of the Industry Strategic Plan for sustaining and strengthening industry growth and transformation. Various engagements with members created a platform to increase networking and participation of members, with the view to improving industry information dissemination. At present SAHTA consist of 40 members with growth potential. In taking this process further, the board agreed to build capacity by finalising the appointment of a CEO.

Cape Catalyst

Cape Catalyst has supported five infrastructure projects, progressing towards getting the projects to evaluation and implementation stage. The following is the progress made in the 2010/11 year:

Telecommunications Infrastructure Strategy: In addition to broad stakeholder consultation, a Telecommunications Position Paper was developed; a review of all provincial ICT and telecommunications policies and activities was undertaken. This has culminated in the development of the Telecommunications Strategic Framework, which will provide the overall direction and broad guidelines for the provincial implementation plan. In addition, the initial projects underpinning the

implementation plan have been identified. In going forward, these projects will be further explored and deepened.

Cape Health Technology Hub: This is a joint project by the Department of Economic Development and Tourism, the Department of Science and Technology and the City of Cape Town. A prefeasibility study was undertaken which indicated initial favourable support for the project. Consequently, in principle support was given to the project by Provincial Cabinet and the City for the further development of the project.

The East City Design Initiative (The Fringe): The design-focused precinct in the eastern Cape Town CBD is a joint project between the Department of Economic Development and Tourism, the City of Cape Town, the Cape Peninsula University of Technology and a number of other stakeholders. During the year, a number of engagements with stakeholders were undertaken and a number of research studies were commissioned and finalised. These included a business feasibility study, a transport study, a spatial development framework and a property study. This information will form the bedrock for the development of the business plan of the Precinct.

Port of Cape Town: There has been extensive consultation with the key stakeholders, including City of Cape Town, CHEC and Transnet. This has resulted in the formulation of a common project plan agreement amongst the parties, allowing for a jointly managed and coordinated planning process. This has set the scene for a consensus-based development framework which will unlock infrastructure investment and improved competitiveness within the Port of Cape Town. The first step accomplished was the joint appointment of the project manager who will drive the process plan forward.

Saldanha Industrial Development Zone: The feasibility study, co-funded by the Department (R2.8 million) and the dti (R4.5 million), is managed by Wesgro. The study is highly complex, with the decision to rather disaggregate separately each component of the full work package to the market, rather than put out one single tender. This has the disadvantage of being more labour intensive and time consuming in terms of managing the multiple tender processes, but has the advantage of being more flexible, focused and cost effective. The study has generated considerable national and international interest, with major projects totalling billions of dollars already being mooted. All indications are that the feasibility study will produce a positive recommendation, and will obtain national support for an IDZ.

Major Success Stories

OIL AND GAS

Entry of Oil & Gas Services sector in The Industrial Policy Action Plan (IPAP)

Despite the growth of a multi-hundred billion dollar upstream sector in sub-Saharan Africa, neither South African industry nor government had recognised the potential of the opportunity. It has been a South African Oil and Gas Alliance (SAOGA) goal for some years to raise the profile of

the upstream services sector within National Government so as to ensure the necessary resources and policy focus to drive the growth of the sector. In Q1 2011 we succeeded in having the Oil & Services Sector included as one of two new IPAP sectors. This now places SAOGA at the heart of national efforts to develop the sector and provides a national commitment to address some of the barriers that have been holding up the growth of the sector.

Celtic Sea rig to Saldanha Bay

Transocean is the world's largest rig fleet operator. In early 2011 it sought to bring its *Celtic Sea* rig to Cape Town for servicing after a long period of refusing to do work in Cape Town. Unfortunately the rig could not be accommodated in the Port of Cape Town and we almost lost the project to Walvis Bay. SAOGA was able to work with and provide assistance to the key industry players to ensure that Transocean brought the rig to Saldanha Bay where it is undergoing about R200 million worth of work and will employ over 1 000 people for the roughly 10 week duration of the project. The existence of an industry body connected to government authorities is a strong factor in providing support to industry and credibility to clients when trying to secure these project deals.

54+ Work Placements

In late-2009, in response to feedback from industry, SAOGA started shifting its skills development activities in the direction of a closer collaboration between industry and the public training sector. SAOGA identified work placement training as being critical to providing trainees with quality and marketable skills – it is simply not possible to develop the necessary artisan skills with classroom training alone. SAOGA's research suggested that most such trainees remain unemployed after completion of courses. Over the course of the 2010/11 financial year SAOGA has focused intensively on getting trainees into company work placements. To date SAOGA has successfully placed 54 trainees into 12-month internships, with another 20 to start shortly. It is expected that a significant number of these trainees will ultimately be offered work at their placement companies. Others who are not will be well qualified as attractive candidates for employment elsewhere in the sector.

INFORMATION AND COMMUNICATION TECHNOLOGY

Capaciti 1000: Developing high-end professionals

The Western Cape houses some of the country's largest financial services companies that collectively account for the bulk of the Information Technology employment in the Western Cape.

The lack of qualified and experienced analyst skills presents a major barrier to the competitiveness and outsourcing potential of the industry. The Capaciti 1000 programme was designed to develop high-end ICT skills where critical shortages arrest firm growth. The DEDAT, together with its partners, the Cape IT Initiative, University of Cape Town, Insurance SETA, Old Mutual, Sanlam, Metropolitan Health, Santam, SMC and Airborne Consulting collaboratively designed and implemented a pilot skills and internship programme with 40 previously unemployed graduates currently on a one-year

post-graduate qualification and workplace-based internship programme.

As a testimony to industry's prioritisation for supporting supply side interventions to address the skills shortages, the total funding leveraged exceeds R7 million, including contributions from the private sector and the Insurance SETA. Furthermore it is expected that this unprecedented pilot programme will have positive implications for a massive rollout as well as to become an example of best practice in IT skills delivery programmes, with adoption at a national level. The net impact for the Western Cape economy is that this pilot programme will generate approximately R10 million per annum for the next three years.

Cape's innovation appeal: Google and Samsung landed

As a result of its ongoing efforts to promote the region's niche strengths in the area of mobile applications, mobile e-health and mobile financial services, CITi was instrumental in attracting both Samsung and Google into the region, with both organisations announcing the establishment of their South African mobile innovation labs in Cape Town. The flow of venture capital funding into the region's ICT startups is expected to increase significantly as a result.

Province-supported IT SMEs attracting foreign investment funding

Maxxor, a BEE business which began in CITi's Bandwidth Barn (BWB) incubator and which benefited extensively from enterprise development programmes funded by PGWC, was ranked fifth in Michael Porter's AllWorld Network South African FastGrow 100 and was selected from 700 applicants as one of the four companies to share investment funding of R475 million from Microsoft.

Personera, in the BWB, received international venture funding of \$1.4 million in the past year. G7 technologies (a clean energy startup incubating in the BWB) also received significant international VC funding in the past year. Backed by successes such as these, the expansion of the BWB and the BWB model is currently being investigated.

BUSINESS PROCESS OUTSOURCING

Marketing BPO as an investment destination

A major achievement for the Business Process Outsourcing & Off-shoring (BPO & O) sector is the arrival of Amazon on our shores. The BPeSA team worked in close cooperation with leading members from the local industry to establish their first sub-Saharan base in July 2010. Amazon initially planned a relatively slow ramp-up phase but has accelerated their growth plans due to the success in finding high-calibre resources, predominantly from the hospitality industry. A total of 1 000 jobs will be created over the next two years, resulting in annual revenues in excess of R200 million. Amazon's new centre will be in the heart of Cape Town, in the Wembley Square complex, ideally suited for their employees from a transport perspective. Not only is the Amazon brand a welcome addition to the Western Cape's portfolio, it is also important to note that the centre will be serving both the North American and German markets, confirming the Western Cape's ability

to attract internationally recognised and well-established companies from diverse markets.

Amazon has become one of the flag-ship companies representing the Western Cape's capabilities. Significantly, Amazon is also keen to share their global experience with the local industry, thus enhancing the Western Cape's offering with leading edge customer services practice. Amazon regularly show-case their operations to inbound missions and are a committed member of the local industry body.

FURNITURE

Furniture Skills development programme

The WCFI, in collaboration with leading industry players, has managed to secure funding for a major skills growth project. This project includes identifying critical skills and drafting a skills structure through a skills audit and the implementation thereof as well as establishment of a cluster pilot in the Western Cape furniture industry. The total cost of the project is R4.8 million and the funds will be sponsored by the National Department of Economic Development.

This skills programme will be facilitated with approximately 100 firms and 2 300 employees in the Western Cape furniture industry. It is estimated that this project will sustain and generate additional jobs which is key for the regional furniture industry development and in alignment with government's objectives. The cluster programme will improve coordination and cooperation between small firms and result in expanded production and job creation.

The Western Cape was selected to pilot these projects which will thereafter be rolled out to other regions, built on the experiences in the Western Cape. The Western Cape Furniture Initiative (WCFI) will provide an institutional base for the interventions proposed in this project.

TOOLING

Tooling Enterprise Development, Skills and Marketing programmes

The WCTI successfully placed 41 learners for apprenticeships in the tooling and manufacturing sector. Nine learners are currently participating in the Work and Skills Programme funded by DEDAT. Networking sessions were hosted by WCTI to educate the tooling sector on the advantages of clustering and cooperation to win new business. A new company was established in January 2011 as a result of these interventions, where members of this company who are individual tooling manufacturers will collectively manufacture multiple tools in parallel timing and to the quality and cost requirements of the customer.

Another success was achieved when a large plastics packaging company in Cape Town placed an order worth R2 million with two of the mould makers in the Western Cape, where they would have normally purchased out of China.

BOAT-BUILDING

Whisper Boat Building Academy for the Deaf: Partnership Solution

The Whisper Boat Building School, established over six years ago by Marine Surveyor Peter Jacops, has traditionally relied on donations, grants and limited government funding. On a shoestring budget, supported by a volunteer administrative structure, Whisper Boats has achieved international recognition as the only boat-building school for the hearing impaired in the world. In December 2010 they won the prestigious Dutch DAME Charity Award from the METS (the largest global Marine Equipment Trade Show) in recognition of the excellent work they have done.

The Cape Town Boat-building Skills Development division was instrumental in putting together a proposal to ensure the longevity of Whisper Boats. By making representation to the Plastics Chamber of the Merseta (Mechanical Engineering and Related Services Sector Education Training Authority), they received a full vote of confidence from the Plastics Chamber Board Members to support Whisper Boats. A partnership between Whisper Boats and the Plastics Federation was proposed to the Merseta and accepted by the Projects division for funding and was awarded R1.5 million. The project through the accredited status of the Plastics Federation will give the graduates a certificate in Polymer Composite Construction.

CLOTHING, TEXTILES AND FASHION

Development of the Productive Incentive

One of the major impacts which the Cape Clothing and Textile Cluster has made to the industry has been its crucial role in the development of the Production Incentive. The Cape Clothing and Textile Cluster and the KwaZulu-Natal Clothing and Textile Cluster are managed by Benchmarking and Manufacturing Analysts. All cluster members receive an annual benchmark. The benchmark includes the analysis of the firm's financial and operational competitiveness data and a customer benchmark. This information is verified through a process benchmark where the entire firm's management is interviewed, and a labour interview and factory observations are conducted. This information has been utilised to create a verifiable database of the performance of this industry in South Africa and is a rich source of information. This information was utilised to validate the formation of the Production Incentive which is being rolled out to the South African Clothing and Textiles Sector. Here firms which are bargaining council and tax compliant can claim back a portion of their manufacturing value added for operational competitiveness improvements. This incentive scheme has resulted in huge improvements in the sector and is a direct result of the Cape Clothing and Textile Cluster. In total R220 million will be received for Western Cape firms in this sector for improvements in operational competitiveness.

The CLOTEX SMME Clothing & Textile Competitiveness Improvement Programme (CTCIP) Cluster

This R4.1m programme is concerned with the holistic development of SMME Cut, Make and Trim (CMT) businesses in the local Clothing Industry. It was initiated with funding from the PGWC and

the dti, and started in November 2010. The programme is designed to assist these CMTs to become more competitive, locally and internationally.

Based on International Best Practice in Benchmarking and Clustering, it consists of a structured programme of interventions. The programme covers all aspects of the Business, from Operator Training in Skills Development, Optimal Sewing Methods, Basic Machine Setting and Maintenance, a Supervisor Development Programme (covering Technical and People Skills for Junior Management), Cutting Room Management Skills and Business Mentoring and Coaching for the Business owners - covering Operations Management, Sales/Marketing, HR, IR, Financial and Legal aspects of running their businesses.

The initial phase of training involves seven businesses, from 10 to 250 employees. This will be expanded to include 24 firms by the end of the current financial year. To date, 65 Operators have received Multi Skilling Training, 84 Operators and 27 Supervisors have received Basic Mechanics Skills Training. Fifteen Cutting Room staff are due to be trained in Cutting Room Management and 25 Supervisors are due to enter the Supervisor Development Programme beginning in early May. The Second Phase, starting in early May, will involve the recruitment of a further 17 firms, making for a total of 24 firms participating in this ground breaking programme.

Cape Town Fashion Council and Design Indaba collaboration

A key project for the Cape Town Fashion Council (CTFC) has been the Design Indaba, which supports designers with exposure and financial help, as well as through building the profile of the CTFC and the capability of local designers. This event afforded very prominent exposure for CTFC at the expo stand and event area, as well as pre and post media, resulting in a PR value of R204 027. Of significance is the support given by the CTFC to eight designers, who achieved R160 000 worth of sales, and wholesale orders of R180 000 during and after the EXPO. Exposure in the form of runway shows at Design Indaba and updates on iFashion also assisted in increasing visibility of this important SPV.

AQUACULTURE AND AGRI-BUSINESS

Recapitalisation and expansion of the Masiza Mussel Farm

A key deliverable of the Western Cape Aquaculture Strategy is to develop the aquaculture sector through initiatives such as the recapitalisation and expansion of existing sub-sectors with the objective to increase production, BBBEE and job creation. The Department of Economic Development and Tourism (DEDAT), in collaboration with the Department of Agriculture (DOA), industry and the National Empowerment Fund (NEF) have facilitated the recapitalisation and expansion of the Masiza Mussel Farm Pty Ltd. The NEF provided an investment of R9 million for the recapitalisation and expansion of the Masiza Mussel Farm. It is anticipated that it will lead to the purchasing of 20 additional rafts, the creation of SMME opportunities and approximately 90 decent full-time rural jobs on the rafts and in the factory. Workers will also obtain equity in the La Vie Seafoods processing factory in Velddrif.

Abagold and Premier Fishing (Abalone)

The Aquaculture Sector is a sector of vision, entrepreneurship, innovation and guts. It is a very dynamic creator of sustainable, full-time, decent, rural jobs. Between 2005 and 2008 the employment in the Abalone sub-sector increased by 234%. Abalone farming is labour intensive. Employment in the Abalone sector (1 000 direct and 1 000 indirect jobs), is set for another very significant increase in production. Two examples are:

- Abagold received a capital injection of close to R53 million from a private equity firm that will result in an increase in its production from 220 tons to 470 tons per annum over the next five years. This will increase employment from 270 to 470 people over the same period. The empowerment shareholding in Abagold will also increase to 25% (Cape Business News April 2011).
- Premier Fishing, which is controlled by Cape-based empowerment company Sekunjalo Investments, will increase its production from 120 tons to 250 tons per annum over the next five years. This will result in employment increasing by 80-100 people from the existing 87 over the same period (Cape Business News April 2011).

The Western Cape Fine Food Initiative

The Western Cape Fine Food Initiative, a newly-established industry organisation, seems to be gaining momentum and has achieved success in a number of areas in its first year of existence, including the following:

- Jointly hosting, in collaboration with the Southern African Trade Hub, an export workshop to assist food companies in understanding and gaining entry into the US markets.
- A successful joint workshop was held in collaboration with Agri-Food Technology Station and facilitated by Productivity SA.
- Funding contribution of over R60 000,00 for the development of stationery, website and corporate logo was secured from SAIBL (South African International Business Linkages) and the SA Trade Hub.
- Over 50 Western Cape food companies have committed to participate by signing membership application forms.

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 3.1: Trade and Investment Promotion					
Strategic Objectives (Outcome Indicators)					
1.1	Value of investment and trade	R650 million to R1.3 billion	R 1.517 billion		
1.2	Number of jobs facilitated/sustained	650 to 1300	325		
1.3	Value of funds leveraged	R50 000	R 0		
Sector specific performance indicators (Output Indicators)					
1.1	Number of investment projects realised	6	6		
1.2	Number of businesses assisted with exports	183	734	Wesgro accelerated their export programmes because of renewed interest by business.	
Provincial performance indicators					
1.1	Number of new investments in the pipeline	25	32	The variance indicates that business and investor confidence improved during the last two quarters of the financial year. Due to the increase in confidence, one has seen a direct impact in project recruitment	
1.2	Number of stakeholder members	10	Not met	A change of focus because of Strategic Objective 1.	The overall objectives of the Cape Marketing Alliance will be achieved through the Future Cape.
1.3	Number of joint Interventions	1	Not met	A change of focus because of Strategic Objective 1.	The overall objectives of the Cape Marketing Alliance will be achieved through the Future Cape.

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 3.2: Sector Development					
Strategic Objectives (Outcome Indicators)					
1.1	Number of jobs facilitated/sustained	360	3 900		
1.2	Number of businesses expanded/sustained	-	-		
1.3	Value of funding leveraged	R48 million	R 27 million		
1.4	Value of investment and trade	R180 million	R780 million		
Sector specific performance indicators (Output Indicators)					
1.1	Number of people trained	400	448	Increased demand from the industry.	
1.2	Number of businesses assisted with proactive interventions	70	70		
Provincial performance indicators					
1.1	Number of clusters	11	13	New identified initiatives to further develop economic growth.	
1.2	Number of economic sector indicator reports	10	11	The Aquaculture sector intelligence report was an additional report that was completed by WCADI.	
1.3	Number of members in ICT cluster	200	210	Increased buy-in from industry into the cluster.	
1.4	Number of members in BPO cluster	150	155	Increased buy-in from industry into the cluster.	
1.5	Number of people trained in BPO	250	270	Increased buy-in from industry into the cluster.	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 3.1: Trade and Investment Promotion					
Strategic Objectives (Outcome Indicators)					
1.6	Number of members in Oil & Gas cluster	120	149	Increased buy-in from industry into the cluster.	
1.7	Number of people trained in the Oil and Gas industry	150	178	Increased buy-in from industry into the cluster.	
1.8	Number of members in Boat-building cluster	80	111	Increased buy-in from industry into the cluster.	
1.9	Number of members in CMT cluster	254	296	Increased buy-in from industry into the cluster.	
1.10	Number of members in Clothing & Textile cluster	29	34	Increased buy-in from industry into the cluster.	
1.11	Number of members in Fashion cluster	215	436	Increased buy-in from industry into the cluster.	
1.12	Number of members in Tooling cluster	43	44		
1.13	Number of members in Furniture cluster	50	51		
1.14	Number of members in Fine Food cluster	30	34		
1.15	Number of members in Aquaculture cluster	50	36	The CEO only started work in November 2010. To date not all membership application forms have been received. As indicated in the 2nd tranche report, representatives of the industry advised WCADI not to go on a membership	Membership Applications Forms will be followed up.

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 3.1: Trade and Investment Promotion (continued)					
Strategic Objectives (Outcome Indicators) (continued)					
				drive before it had developed a process for consulting stakeholders about the implementation plan and the identification of pilot projects. Based on the PDC constituency basis, WCADI is already fully representative of Labour, Business, Civil Society and Government.	
Sub-Programme 3.3: Strategic Initiatives					
Strategic Objectives (Outcome Indicators)					
1.1	Number of sustainable jobs facilitated/sustained	-	-		
1.2	Value of infrastructure investment	-	-		
1.3	Value of funding leveraged	-	-		
Sector specific performance indicators (Output Indicators)					
1.1	Number of people trained	-	-		
1.2	Number of infrastructure projects supported	5	5		
Provincial performance indicators					
1.1	Number of members in innovation forum	30	30		
1.2	Number of substantive engagements with stakeholders regarding innovation	12	12		

PROGRAMME 4

BUSINESS REGULATION AND GOVERNANCE

Purpose

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

Service delivery objectives and indicators

An enabling environment

The enabling environment comprises all relevant economic, political, social, regulatory and international factors external to firms in the Western Cape. In terms of Provincial Strategic Objective 1, the focus is on all government policies and practices, which “set the rules of the game” for business in the province and which influence the performance of the market, incentives to invest and the cost of business operations. The ideal enabling environment is one that minimises the hurdles to sustainable business profitability, investment and job creation. 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 – cooperate in a legally secure and predictable environment, structured towards economic growth and transformation. There is a growing realisation on the part of the business sector that economic growth should not be at the expense of equity and that fairness to consumers and the espousal of responsible trading and production practices can serve as competitive advantages that will stand them in good stead in a globalised economy, where competition will increasingly be against foreign rivals as opposed to local ones.

The approach adopted by government is to establish and implement mechanisms that will unlock the benefits of the country's robust economic growth, whilst minimising social costs by striving towards social objectives such as reduction of personal debt; providing affordable and transparent access to credit; developing social and economic infrastructure and putting measures in place to combat the negative social consequences of the regulated industries. It is therefore the view of the Department that the provision of an effective and efficient consumer protection service and an efficient liquor regulation division within the Department can make a substantial contribution towards the Provincial Strategic Objective 1.

Major Outputs

Significant delivery achievements by the Office of the Consumer Protector during the 2010/11 financial year:

Alternative Dispute Resolution

During the year under review the Office of the Consumer Protector (OCP) continued to enhance the Alternative Dispute Resolution (ADR) services it provides to consumers. In terms of the operational practice of the OCP, all consumer disputes are first channeled via ADR in an attempt to amicably resolve matters between the two disputing parties. In order to continue providing a high quality service to the public, the OCP has enhanced and refined its ADR processes, which include the refinement of management processes, advanced training for staff and the extension of the scope of services rendered. Strengthened self-regulation mechanisms and increased awareness of consumer rights among businesses have also created favourable conditions for the promotion and development of mechanisms for the amicable resolution of consumer disputes. The experience of the past years has proven that out-of-court alternative dispute resolution mechanisms are an effective and cheap method of obtaining consumer redress, particularly in smaller cases, when courts of law fail to deliver the desired outcomes due to lengthy proceedings, high costs, formalised procedures and psychological barriers related to getting involved in a court action. The development of the systems of amicable dispute resolution are, however, not possible without the cooperation and willingness to collaborate from businesses. The OCP has therefore engaged effectively with businesses and business groups to ensure that numerous complaints were resolved by way of ADR.

The OCP has also continued to refine the provision of consumer advisory services to members of communities outside of the Cape Metro. Previously the Consumer Advice Office project has been a focal area of enhanced service delivery outside of the Cape Metro. The OCP has however determined that a need existed for the OCP to enhance its own footprint within the regions of the province. As a result the OCP decided to implement a so-called regional coordinator programme in terms of which departmental officials were appointed to manage and conduct consumer education and redress services within specific regions of the province. The regional coordinator programme was however implemented in conjunction with the existing advice office project to ensure a maximisation of the services provided. This additional project saw the extension of the OCP's "footprint" within the regions of West Coast, Overberg and Southern Cape/Eden, since the OCP had a representative that managed and supervised consumer protection related matters within those specific regions. This development furthermore enhanced the quality of consumer services provided by advice offices within regions and also assisted with the monitoring and evaluation of funded advice offices.

Consumer Education

The 2010/11 financial year has seen the Office of the Consumer Protector enhance the level of awareness amongst citizens regarding the consumer redress service it provides, as well as other important issues affecting the lives of ordinary consumers, e.g. the importance of financial literacy

and the impact of debt. The advent of the global recession has led to a greater need for consumer protection agencies to focus on providing consumers with adequate and relevant information which will assist them in meeting the challenges posed by the recession, e.g. how to manage debt and what to do if debt becomes a challenge. In South Africa the lack of financial literacy has long been recognised as a major problem in poor households and communities. This is not only because of the generally lower levels of access to, and inferior standards of formal education but also because of a lack of access to information. It must be noted that it is not only low income communities that demonstrate low levels of financial literacy in South Africa. The lack of awareness regarding the impact of debt is a matter that affects all sectors of society. It however stands to reason that the more vulnerable economic citizens, e.g. low income households, farm workers and pensioners, remain the most vulnerable to the impact of financial illiteracy. Research conducted in South Africa on the issue of personal savings has also indicated that we are a country with low household savings rates. The research indicates that personal savings dropped from 8% of personal income in the 1970's to around 2% by the early 1990's, while indebtedness has increased amongst the most vulnerable, as well amongst the most affluent income groups. A major behavioural shift is therefore required, away from a consumer and credit-oriented mindset, toward one of financial prudence. The need for saving is more important today than ever before, especially considering the HIV/Aids epidemic now ravaging the nation. The low level of financial literacy in South Africa has been recognised by various community-based organisations, the financial industry, the government and other organisations, many of which have launched financial education projects. The OCP as a provincial government consumer protection agency therefore identified this area as one within which a greater impact needed to be made. A specific target was therefore set for the provision of financial literacy workshops/information sessions for vulnerable consumers. The impact of the sessions was profound as attendees that had experienced a "shift in mindset" communicated this to colleagues, friends and family. The knock-on effect of this was that the OCP subsequently received numerous ad hoc requests from interested parties (including businesses) to conduct similar sessions with them. The success of the campaign also directly led to a partnership between First National Bank (FNB) and the OCP. This partnership resulted in FNB and the OCP conducting joint sessions with stakeholders on the importance of financial literacy and the impact of debt on consumer wellness. This partnership has now led to similar requests from the other major role players in the Banking and Credit Retail sector. It must be noted that no marketing of the services of the relevant bank or credit retailer is conducted during these sessions. The sole focus is on financial literacy and the impact of debt. The impact of the financial literacy campaign has directly led to the targets as contained in the APP being exceeded as far as consumer education services are concerned.

Consumer Complaint Redress Services

The tremendous public interest in the implications of the Consumer Protection Act as well as the increase in the number of consumer education campaigns conducted by the OCP have directly led to the dramatic increase in the complaint numbers received by the OCP during the 2010/11 financial year. The OCP has in 2010/11 received a total of 14 204 consumer complaints. This number reflects the total number of complaints received, including complaints outside of the OCP's jurisdiction, e.g. private disputes, criminal matters, and complaints from outside the province, complaints for other authorities, such as the National Credit Regulator, the Banking Ombudsman and the Short-

and Long-Term Insurance Ombudsman. The number is however one of the largest if not the largest amongst the provincial consumer protection offices across the country. The aforementioned is therefore an indicator of the impact which the awareness campaigns undertaken by the OCP has had and furthermore demonstrates the success and impact of a toll-free call centre through which consumers can lodge complaints or obtain advice. It is also a notable achievement by the OCP that a total of just under 7 000 consumer complaints were successfully resolved during the 2010/11 financial year. In an attempt to monitor and record the impact of the resolutions facilitated by the OCP, a specific performance indicator was included in the 2010/11 APP. This performance indicator related to the financial saving that accrued to the consumer due to the OCP's intervention. The criteria used to determine the financial saving was one proposed by the national Department of Trade and Industry and subsequently adopted by all provincial consumer protection authorities. In terms of this specific performance indicator the intervention by the OCP in complaints lodged at its office has directly saved the affected consumers a total of just over R1 million. It is however noteworthy that this saving excludes the cost of legal or other fees which consumers would have had to disburse if they had taken their complaint via the formal legal process. If this additional cost was to be factored into the OCP's equation, it stands to reason that the actual financial saving to the consumer would be far higher than the recorded amount. It is however undeniable that the impact made by the OCP in the lives of ordinary consumers is clearly visible by way of this specific indicator.

In this specific sub-programme the targets that were exceeded can be directly attributed to the tremendous increase in interest amongst all stakeholders in the Consumer Protection Act and the concomitant increase in consumer education campaigns conducted.

Challenges

The financial year under review has however seen certain targets as contained in the Annual Performance Plan not being met. In all of these instances mitigation for the non-attainment of the targets are present. The following mitigating factors were identified:

Enhancing the operation of the Consumer Tribunal: In terms of the APP the OCP was scheduled to conduct a total of four hearings during the 2010/11 financial year. This target was not achieved due to the delay in the finalisation of the Regulations prescribing the operational practices of the Tribunal. It is anticipated that this process will be completed in the first quarter of 2011/12.

Number of complaints lodged by consumer NGOs: This specific indicator is directly related to the provisions in the Consumer Protection Act which acknowledges the right of consumer NGOs to lodge complaints on behalf of consumers. The Act however prescribes that such NGOs must be accredited in terms of the Act. The deferment of the Act until 1 April 2011 however had a direct impact on the OCP's ability to comply with this target during the 2010/11 financial year.

Significant delivery achievements by Liquor Regulation during the 2010/11 financial year

Service delivery within the sub-programme took place against a background of challenges presented in terms of implementing the provincial liquor legislation. The Western Cape Liquor Act, 2008, is being finalised in order to implement the final phase required to regulate liquor licensing for retail, sale and micro-manufacturing. The Liquor Board sought to give effect to Strategic Objective One by making the licence application process as user-friendly and flexible as is possible within the confines and prescripts of the current Act (the (national) Liquor Act, 1989). Thus, the year saw a record number of applications being finalised; many long-pending applications being revived after interaction with the applicants or their representatives; the biggest percentage ever of approvals being awarded to black applicants; and relationships with the industry improving steadily over the course of the year. The Board's approach was to enable defective applications to be rectified, rather than being rejected, (in cases where the granting of the said applications was clearly in the public interest, and the applications were likely to be granted anyway, but for shortcomings of a technical nature) paid off. This approach contributed to business entrepreneurs being able to meet the legislative requirements that fell within the Board's domain with the least measure of bureaucracy, enabling them to create and sustain jobs and achieve growth in their businesses and the sector as a whole.

Significant achievements for the year included the following:

Amendment of the Western Cape Liquor Act

The process to amend the Western Cape Liquor Act, which commenced during 2009/10, continued through 2010/11. The responsible Parliamentary Standing Committee requested full public hearings after the initial period for written submissions. These public hearings were held in Cape Town and four rural locations during November 2010. After processing of the comments and further amendments to accommodate some of the changes suggested as part of the public participation process, the Western Cape Liquor Amendment Act (Act 10 of 2010), was approved by the Legislature on 7 December 2010 and published shortly thereafter.

The Liquor Board and transformation: Some statistics

During the early years of the Board's existence as a provincial authority, very few licences were granted to black applicants. In fact, during the 5-year period 1995 – 1999, an average of only 4.04% of approvals granted was in respect of black applicants. During a subsequent 5-year period, 2005 – 2009, this rate improved to 11.47% of the total number of approvals per annum. In spite of this trend, by mid-2010 only 11.5% of liquor licences in the Western Cape was held by black licence holders.

Unusually high number of applications received and processed

The anticipated influx of applications ahead of the implementation of the Provincial Liquor Act materialised during the past year. Informal traders, assisted by major industry players and industry

organisations, lodged a record number of applications from that sector in anticipation of legislation that would preclude the Board from issuing licences in respect of premises that are not correctly zoned. In addition, the high profile of liquor issues in the media resulted in many more applications being objected to than in the past, resulting, in turn, in many applications having to be referred for trial. These factors resulted in a backlog that saw the Board's turnaround time for consideration of new applications slip from three months from date of receipt in June 2010 to approximately eight months by year-end. The high intake of applications was dealt with by way of overtime (largely unclaimed) as well as Saturday sittings by the Board, the latter enabling in excess of 700 applications (both new and secondary) to be finalised over a period of nine months in fortnightly Saturday meetings.

Board under pressure

The influx of applications which had been expected ahead of the implementation of the new provincial act finally hit the Board around July 2010. The Board had already started sitting on Saturdays in order to reduce the backlog of applications from previous years and was forced to extend these Saturday sittings, which were held every alternate Saturday, until December 2010. This was a very successful intervention. By mid-December, 739 applications had been considered and 418 finalised during the 18 Saturday meetings that were held.

Inspectorate performed under pressure

The Board's Inspectorate faced a severe challenge in that its targets were premised on a staff complement that would be increased from 3 to 10 inspectors, which did not happen due to funding constraints. In addition, factors such as additional work related to the 2010 FIFA World Cup tournament, long travel distances and unsuccessful inspections (mostly because applicants were not at the premises, despite prior arrangements having been made), the Inspectorate was unable to meet its target. The Inspectorate did, however, receive acknowledgement from both the industry and other law enforcement agencies (the SAPS and metro police) for the following: its work during the World Cup, which, in no small part due to monitoring by the Inspectorate, proceeded without any major incident at the areas licensed for sale and consumption of liquor; a vastly increased work rate compared to previous years and the stepping up of action against licensees who breached licence conditions (several licences were suspended or withdrawn in the course of the year after disciplinary hearings initiated by the Inspectorate). By year-end, a process to appoint additional inspectors, initially on contract, and improve efficiency in a number of ways (batching of inspections per region; combining the testimony of inspectors before the Board with inspections in the area where the hearing is held; re-allocation of inspections amongst inspectors, etc.) had been initiated for implementation and successful delivery in the 2011/12 financial year.

Breach of licence conditions: We will get you!

Building on its successes during 2009/10, the Board's Inspectorate brought a number of successful prosecutions against licence holders who breached the conditions of their licence or the provisions of the Liquor Act. Unfortunately, some licence holders seem to adopt an attitude that a licence,

once granted, is theirs in perpetuity and that they can trade with impunity. By year-end, a number of investigations were in progress against recalcitrant licence holders. The Inspectorate hoped that these matters would be able to be heard early in the new financial year.

Challenges with regard to education and awareness interventions

A severe lack of capacity, coupled with a moratorium on communication-related projects, compromised the Board's ability to give effect to its stated targets in this area. The highly successful billboard campaign of the previous year was extended into the first quarter of the current year at no cost to the Board, due to a lack of take-up of advertising space on billboards paid for by the Board in 2009/10. The capacity issue was partially addressed by mid-year, but an agreement to address the moratorium could only be reached with the Department of the Premier by year-end.

Youth and liquor

The Board's education and awareness initiatives are intended to bring about long-term behaviour change, rather than just convey information about the effects of liquor abuse. Accordingly, addressing the youth as a specific target market is of paramount importance, as they are the future consumers, and possible abusers, of liquor. One of the Board's youth-focused initiatives of the past year has been the sponsoring of the purchase and distribution of a thousand "Life Talk for Parents" ("Lewenspraatjies met Ouers") books. The books are parenting guides, aimed at forewarning parents on the issues and challenges their children face, and to equip them to better engage with their children to deal with these challenges. Alcohol abuse, both by their parents and/or guardians and as a peer pressure issue, is a major challenge for children, especially teenagers. At one of the events where the Board-sponsored books were distributed, held in Bellville in March 2001, Suzie Lindstrom, the author of the book said: "Excluding divorce, 80% of the heart-breaking stories shared with us have their roots in alcohol. We are passionate about helping parents to be proactive in ... tackling the alcohol challenge." She thanked the Board for its willingness to contribute to the success of this initiative.

Success Stories

Your own piece of holiday paradise

The allure of owning your own little piece of paradise where you can relax during holidays is something that most ordinary consumers dream of. This desire amongst consumers has partly led to the holiday or vacation club concept being so successful. On the whole, many consumers are extremely satisfied with their "purchase" and enjoy relaxing holidays at their specific piece of "paradise". The holiday or vacation club industry like any industry also has the odd "bad apple" which causes problems for consumers. The OCP receives many complaints from consumers regarding holiday/vacation club contracts and we often have to mediate between consumer and business to get to the bottom of a dispute. One such dispute involved Mr A, who approached the OCP after signing a lifetime vacation club agreement with a service provider. According to Mr A he had spent a weekend at a resort on the West Coast and was approached by a salesperson with an unbelievable vacation club offer. Mr A was very interested as the offer sounded too good to be true and he ultimately decided to sign on the dotted line. However, on his return to Cape Town Mr A read his contract and then realised that what was promised to him during the sales pitch did not match what was written in the agreement. The matter was complicated further since Mr A alleged that he was under the influence of alcohol when he signed the agreement. Mr A therefore claimed that the salesperson had taken advantage of his position and had not given him accurate information. The difficulty for the OCP was proving that Mr A's version was correct, especially since Mr A had nobody to corroborate his claims. In terms of existing law at that time, Mr A would have had to have taken court action against the business since it involved the cancellation of a contract. The OCP had however previously established dialogue with the particular business when previous complaints were inquired into. This dialogue therefore resulted in a conducive environment in which the OCP could mediate the dispute. The matter was analysed by the OCP and the "defects" on the part of the business were highlighted together with those of the consumer. One of the issues raised related to the obligation of the business to ensure that the "sales pitch" corresponded with the actual terms and conditions of the agreement. The OCP was able to identify specific deviations between what was promised in the sales pitch and the actual agreement. The business subsequently acknowledged the defects and agreed that the salesperson had not followed company protocol when concluding the agreement. The end result of this mediation was that the business agreed to cancel the agreement. Mr A was extremely relieved as the agreement was a so-called lifetime agreement, which meant he would be liable for the rest of his life. The successful resolution of this particular complaint resulted in a saving of over R50 000 to Mr A.

The joy of a second-hand vehicle

Mr X had seen his dream car at a dealership near to his home and made an inquiry about its availability. His hopes were dashed as the dealership advised that the specific vehicle had just been sold. The dealer however told him not to worry since he was waiting for an identical vehicle to be delivered and would sell this vehicle to Mr X. "This was my dream car and the dealer promised that it was even better than the one he had just sold. I could not resist this promise by the dealer and I decided to take the plunge even though I had not seen the car for myself. The dealer was a good guy and looked like he would not disappoint me," said Mr X. The sale agreement was signed by Mr X and full payment was made.

The dealer promised that the vehicle would arrive within "a few days". Sounds too good to be true, doesn't it? A frustrated and disappointed Mr X approached the OCP 3 months after he had signed the agreement and paid the purchase price in full! No vehicle had been delivered by the dealership and Mr X claimed that the dealer had no answers and was now refusing to speak to him. The OCP immediately intervened and visited the dealership personally to rectify this clear injustice. This set things in motion as the dealer's principal was anxious to maintain his reputation. The OCP advised the dealership that it had breached the terms of the sale agreement and that MR X was entitled to cancel the agreement and claim his money (R85 000) back. The owner of the dealership agreed with the OCP and immediately cancelled the agreement and refunded Mr X his R85 000. Mr X was overjoyed with the help he received from the OCP and vowed to make sure he did not repeat his mistakes when buying another vehicle. This specific complaint served as a lesson to both the consumer and the business. An extremely positive result was obtained and the dealership then called on the OCP to conduct a workshop with its salespeople on the rights of consumers and the new Consumer Protection Act.

Consumers have rights! Know what they are!

The 2010/11 financial year saw the Office of the Consumer Protector establish relationships with businesses, business organisations, non-profit organisations and community-based organisations. Workshops, information sessions and awareness campaigns focusing on consumer protection matters were conducted across the province. The workshops were conducted in communities, businesses and shopping malls. One specific campaign saw the OCP partner with the management of different shopping malls in Cape Town. More than 300 retail owners and their employees from Somerset Mall, NI City and Bayside Mall attended sessions on the Consumer Protection Act. The Office established relationships with both the Cape Town and Hermanus Chambers of Commerce which saw sessions being conducted with different business sectors on the Consumer Protection Act. Furthermore, the employees of three prominent car dealerships (Toyota SA, Mitsubishi SA and Velocity Cars) were also workshopped on the CPA. This was a great intervention as the staff indicated that they were more comfortable with how to implement the Consumer Protection Act in their businesses.

On the financial literacy front, the Office of the Consumer Protector partnered with FNB's Consumer Education Unit to roll out financial literacy workshops in communities in the Western Cape. FNB's drive to educate consumers is part of their corporate social responsibility programme. Their strategy with regard to their corporate social responsibility programme is similar to OCP's strategy. The two organisations therefore decided to coordinate their programmes so as to enhance the impact. This joint initiative with FNB has so far benefited more than 2 000 consumers in the province. These workshops were conducted in previously disadvantaged and currently marginalised communities.

One of the significant partnerships the OCP established was with Velocity Cars. Velocity Cars has more than three dealerships across the Cape Metro. As part of its marketing campaign Velocity cars runs a weekly radio slot with Heart FM. The office was invited by the owner of Velocity Cars to anchor a programme on the Consumer Protection Act and the impact on second-hand car dealerships. The invitation to participate in this programme resulted from a consumer complaint which the OCP successfully resolved between Velocity Cars and a consumer. The OCP followed the radio session with a range of workshop sessions for Velocity Cars' employees on the implications of the Consumer Protection Act.

The table below reflects reporting against specified targets:

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 4.1 Regulation Services					
Strategic Objectives (Outcome Indicator)					
1.1	Number of identified regulatory barriers	1	0		
Sector Specific performance indicators (Output Indicators)					
1.1	Number of barriers identified	2	0		
1.2	Number of barriers addressed	1	1		
Sub-Programme: 4.2 Consumer Protection					
Sector Specific performance indicators (Outcome Indicators)					
1.1	Awareness Levels	30%	0		
1.2	Number of strategic consumer NGO partnerships established	11	0		
1.3	Monetary value saving to consumers	R1 million	R1.038 million		
Sector Specific performance indicators (Output Indicators)					
1.1	Number of consumer education programmes conducted	128	146	The tremendous increase amongst all stakeholders on the impact of the Consumer Protection Act resulted in a number of ad hoc requests from business, government, NGOs, religious bodies and other organisations for sessions on the new legislation.	
1.2	Number of complaints received	7 000	14 204	The increase in the regional and national media exposure on the new Consumer Protection Act has resulted	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 4.2 Consumer Protection (continued)					
Strategic Objectives (Outcome Indicator) (continued)					
				in enhanced awareness, excitement and intrigue amongst consumers regarding their consumer rights. This has directly led to more consumers becoming aware of what redress options they have and this has led to more complaints being lodged. In addition the increase in the number of consumer awareness events conducted by the OCP has led to more consumers deciding to lodge complaints against business.	
1.3	Number of complaints resolved	5 429	6 997	The fact that more complaints were lodged has invariably led to an increase in the number of complaints successfully resolved.	
Provincial performance indicators					
1.1	Number of complaints forwarded to the Tribunal for consideration	10	0	The Tribunal has been established as per the provisions of the Act. The functioning of the tribunal is however dependant on the operational Regulations that had	The Regulations have been developed and submitted to Legal services for evaluation. The Draft was approved on 6 April 2011 and will now be published for public comment.

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 4.2 Consumer Protection (continued)					
Provincial performance indicators (continued)					
				to be developed. These Regulations could only be developed after the appointment of the Tribunal members since the Act requires the Chairperson to participate in the development of such regulations.	It is anticipated that the Regulations will become effective in June 2011 and the tribunal will begin adjudicating matters. The Regulations have been developed and submitted to Legal services for evaluation. The Draft was approved on 6 April 2011 and will now be published for public comment. It is anticipated that the Regulations will become effective in June 2011 and the tribunal will begin adjudicating matters.
1.2	Number of people reached	5 million	20.8 million	The tremendous increase amongst all stakeholders on the impact of the Consumer Protection Act resulted in a number of ad hoc requests from business, government, NGOs, religious bodies and other organisations for sessions on the new legislation. This has directly led to more media exposure being achieved for the OCP since all major radio stations, print media and social media have carried numerous stories	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 4.2 Consumer Protection (continued)					
Provincial performance indicators (continued)					
				about the OCP and the new Act. The readership and listenership figures of all these media sources have been used to calculate the exposure obtained.	
1.3	Number of Regional Offices operationalised	4	3	A challenge was experienced by the OCP in appointing a suitably qualified, skilled and experienced official to manage and operate the Karoo regional office. The position was advertised twice and subsequent interviews held. No suitable candidate was however found.	The position will be re-advertised again and it is anticipated that a suitable candidate will be appointed.
1.4	Number of consumer complaints lodged by consumer NGOs	10	0	This specific indicator related to a provision in the Consumer Protection Act which acknowledged the right of consumer NGOs to lodge complaints on behalf of groups of consumers. The original implementation date for the Consumer Protection Act	This target will be met in the new financial year as the Consumer Protection Act commenced operation on 1 April 2011.

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 4.2 Consumer Protection (continued)					
Provincial performance indicators (continued)					
				was October 2010 but this date was subsequently deferred by the national minister to 1 April 2011. The deferment thus directly resulted in this target not being achieved.	
1.5	Rand value savings to consumers due to OCP intervention	R1 million	R1.038 million		
1.6	Number of financial literacy workshops conducted	40	52	The success of the sessions conducted resulted in a number of ad hoc requests being received from interested parties. These additional requests were accommodated which resulted in the target been exceeded.	
Sub-Programme: 4.3 Liquor Regulation					
Strategic Objectives (Outcome Indicators)					
1.1	Percentage liquor outlets licensed	33%	6.75%		
1.2	Number of jobs facilitated/sustained	5 200 facilitated and 34 200 sustained	0	The outcome of this function is regulatory and not job specific.	This is being reviewed in the new financial year.
1.3	Awareness levels (as a percentage of beneficiaries of awareness initiatives amongst whom the level of awareness is raised)	40%	8.10%		

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 4.3 Liquor Regulation					
Sector Specific performance indicators (Output Indicators)					
1.1	Number of applications received	1 800	1 965	Target was exceeded, as the anticipated influx of applications before the implementation of the new Act materialised in the course of the year. The rate at which liquor licence applications are lodged is related to economic conditions and industry-driven and therefore beyond the control of the unit.	The new Western Cape Liquor Act is being finalised for implementation.
1.2	Number of licences issued	800	519	The current processing system used for the issuing of licences is outdated and cumbersome. Furthermore, a considerable number of licences that were conditionally approved could not be issued, due to the applicants not complying with the conditions stipulated for the issuing of such licences.	Current system being revised for increased efficiency and improved processes to increase the turnaround time and the number of licences processed. The holders of conditional approvals were approached through their representatives and industry organisations to improve the reaction from the said holders with regard to compliance with conditions for issuing of licences in respect of conditional approvals.
1.3	Number of awareness interventions conducted	220	72	The unit did not have any dedicated capacity to attend to this function until the third quarter.	Dedicated capacity and finalised Schedule of Engagements in place for the 2011/12 financial year. The

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 4.3 Liquor Regulation (continued)					
Sector Specific performance indicators (Output Indicators) (continued)					
				In addition, some of the planned interventions were postponed or cancelled due to a moratorium on communication-related interventions by the Department of the Premier.	Department of the Premier was engaged.
1.4	Number of people reached through awareness programme interventions	2 500 000	889	This target included radio slots which were planned for the latter part of the financial year. The moratorium on communication-related interventions compromised the ability of the unit to meet targets. The target was based on the assumption that additional capacity would be created within the 2010/11 financial year.	The Department of the Premier was engaged.
1.5	Number of inspections conducted	2 000	795	The target was based on the assumption that additional capacity would be created within the 2010/11 financial year.	Additional capacity will be appointed on contract in the next financial year.
Provincial performance indicators					
1.1	Number of new and secondary applications lodged	2 200	2 834	The number of applications received is based on demand and therefore beyond the control of the Board.	The new Western Cape Liquor Act is being finalised for implementation.

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 4.3 Liquor Regulation					
Provincial performance indicators (continued)					
1.2	Number of new and secondary liquor licence applications processed for consideration	1 800	2 186	Re-allocation of resources and increased working hours contributed to the high number of applications prepared.	The new Western Cape Liquor Act is being finalised for implementation.
1.3	Number of new and secondary liquor licence applications finalised	1 750	2 217	Re-allocation of resources and increased working hours contributed to the high number of applications finalised.	The new Western Cape Liquor Act is being finalised for implementation.

PROGRAMME 5

ECONOMIC PLANNING

Purpose

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

Service delivery objectives and indicators

Key Deliverables

The year under review saw the finalisation of the Provincial Strategic Agenda, and in particular, Provincial Strategic Objective 1 (PSO 1): Creating opportunities for growth and jobs. The focus of programme 5 was to provide support to the Department in order to give effect to Strategic Objective 1. The programme has played a central role in translating PSO 1's policy approach and strategy i.e. "Growth is driven primarily by private sector businesses operating within a predominantly free market environment. The role of the state is (a) to create and maintain an enabling environment for business and (b) to provide demand-led, private sector-driven support for growth sectors, industries and businesses" into a strategic framework, in terms of which the Department operationalised the Province's economic development agenda. To this end, the programme commenced with the translation of PSO 1 into a strategic directive. This strategic directive is not a strategy in itself; it is the contextualisation of PSO 1 and provides broad parameters for the development of transversal economic strategies, programmes and projects through the relevant institutional mechanisms i.e. theme-based working groups.

The Department has already formed the working groups i.e. Economic Development Agency, Enabling Environment, Provincial Infrastructure (constituted by the Department of Transport and Public Works), Skills Development and EPWP (Department of Transport and Public Works) and will commence with work in the 2011/12 financial year. The Economic and Infrastructure Strategic Sector Steering Committee has endorsed all the working groups and will oversee the development and implementation of economic strategies and programmes arising from the abovementioned theme-based working groups.

PSO 1 also mandates the Department of Economic Development and Tourism to develop and establish the Western Cape Economic Development Agency (WCEDA), an attempt by the Provincial Government of the Western Cape to collapse almost all provincial economic development entities into a single economic development vehicle. To this end, the Department appointed the Cape Town Partnership to inter alia:

- Investigate international best practice examples of such agencies
- Conduct external and internal consultation to solicit views of all stakeholders
- Synthesise the broad regional economic strategies and initiatives against the envisaged role of the agency
- Recommend the mandate of the Agency
- Recommend the most appropriate legal vehicle for the Agency
- Recommend an institutional design for the Agency

The work of the Cape Town Partnership is envisaged to be completed at the end of the 2011/12 financial year with the culmination of the WCEDA in the 2012/13 financial year.

With regard to the MEDS industrial strategy, PSO 1 acknowledged that the MEDS approach represents best practice in ensuring business-led support to growth sectors. However, PSO 1 calls for the appointment of a working group to review the identification and prioritisation of growth sectors, the institutional arrangements and systems within the envisaged WCEDA to give effect to the MEDS strategy, and the performance indicator structure against which we measure the effectiveness of sector development efforts.

In preparation for the abovementioned working group the programme appointed the Chief Economist, Prof Phillip Black of the University of Stellenbosch, to guide the MEDS sector baseline research which will be used by the appointed experts as the point of departure when developing a process of sector prioritisation. Furthermore, the Department and the Chief Economist initiated a MEDS sector five-year forecast. The MEDS sector forecast is to assist in gauging the potential growth sectors that should be further researched. All these initiatives were preparatory groundwork for the working group.

Furthermore, the Department took part in the Provincial-wide Monitoring and Evaluation Network-initiated development of the results-based monitoring and evaluation and outcome indicator development for PSO 1. The process was initiated by the Department of the Premier to set improved outcomes indicators across Provincial Government. As part of that process the Department reviewed the data architecture so that the required performance information is generated and will ensure that this information is actually used in departmental planning and resource allocation.

Lastly, to give effect to the Provincial Government strategic agenda of implementing the enterprise content management system i.e. e-filing in all provincial departments, during the year under review the programme conducted a business requirement analysis. This initiative helped to identify the e-filing system that best matched the Department's core business, the scope of the e-filing project and provided the preliminary cost for the overall implementation of e-filing in the Department. The implementation of e-filing is now planned for the 2011/12 financial year.

Major Outputs

Sub-Programme 5.1: Policy Planning

Economic Strategy Development

As mentioned above, during the year under review the Province developed Strategic Objective 1 as an economic strategic framework that should underpin all provincial economic strategies, programmes, projects and initiatives. To give effect to PSO 1 the Department developed a strategic directive to contextualise PSO 1 and provide broad parameters for the development of transversal economic strategies, programmes and projects through the relevant institutional mechanisms i.e. theme-based working groups. These working groups i.e. Economic Development Agency, Enabling Environment, Provincial Infrastructure (constituted by the Department of Transport and Public Works), Skills Development and EPWP (Department of Transport and Public Works) activities and outputs will be implemented through a Provincial Transversal Management System that consists of external role players and will report to the Economic and Infrastructure Strategic Sector Steering Committee. The Economic and Infrastructure Strategic Sector Steering Committee is the high level committee that oversees the development and implementation of PSO 1 strategies and programmes. In addition, the unit drafted a strategy on the Employment of Consultants for the Department. The strategy seeks to guide the Department on how to use consultants in order to get best value for money.

Economic Strategies Reviewed

During the year under review the programme conducted a high level review of key economic policy and strategies with a view of aligning them with the SO 1. Amongst the policy reviews are all the Provincial Strategic Directives, Industrial Policy Action Plan for Ministerial in MINMEC, Youth Unemployment: Policy Options for SA, and a review of Labour Relations Legislation.

Strategic Planning Sessions

Subsequent to the finalisation of PSO 1 four strategic planning sessions were undertaken in order for programme managers to align their programmes and projects for 2011/12 to PSO 1, and to plan for the operationalisation of the Strategic Objective.

Translated national, provincial and local government economic policies

In terms of ensuring policy and strategy alignment, the unit translated the New Growth Path, Youth and Employment Policy into the Province's Strategic Agenda. Furthermore, the unit translated National Outcomes into Provincial and Departmental economic outcomes.

Sub-Programme 5.2: Research and Development

With regard to economic research, the following major research projects were completed:

Sector Baseline Surveys

The Sector Baseline study was one of the major research studies conducted in the past financial year. Prior to initiating the study there was extensive consultation with captains of industry through a number of meetings with the CEOs of the Special Purpose Vehicles (SPVs). By tapping into their expertise the Department was able to design a study that was relevant to addressing the unique data needs of each sector.

There has been a dearth of information on sub-sectors not covered by the Standard Industrial Classification (SIC) Code List, which is relevant to a number of stakeholders interested in growing the economy of the Western Province. The research unit has taken steps to fill the gap in the existing data available by conducting the following five surveys:

- Tooling
- Furniture
- Clothing and textile
- Fashion
- Agri-processing

This is the first time that data of this nature has been collected. Furthermore, the Department provided input for the four special purpose vehicle led surveys which covered the oil and gas sector, the boat building sector, the information and communication technology sector, and the business process outsourcing sector.

Apart from the immediate and direct impact of establishing updated contact databases with more than 1 000 firms across the sectors, and being able to fill existing gaps in the data available, the surveys also allow the Department to draw valuable economic intelligence from real world data. This intelligence will form the basis for future strategic plans. The Western Cape Provincial Treasury will be able to use this key economic data for sectors which are not covered by the SIC codes. Additionally, as part of the collaborations that the Department have established with Universities, the Department will allow students access to this data in order to complete their postgraduate studies in areas relating to industrial policy and economic development.

Impact of the 2010 FIFA World Cup on Small, Medium and Micro-enterprises in the Western Cape

African governments appear to be attaching increasing importance to sport mega-events and in May 2004, South Africa won the bid to host the 2010 FIFA World Cup. The tournament ended 11 July 2010 and opinion was that it was successful. The purpose of the study was to measure the impact of the event on SMMEs in sectors most likely to benefit from the World Cup. The study is a two-phased panel design with the first stage completed immediately after the World Cup and the second to be completed in the 2011/12 financial year, one year after the World Cup. A total of 561 SMMEs were sampled of which 80% were in the Cape Peninsula (80% of sample), 10% were in Stellenbosch and Paarl (Winelands District), and 10% were in the Garden Route towns of George and Knysna (Eden District, where three teams were based). Findings were that nine enterprises were established

specifically due to the World Cup. Furthermore, 64 businesses expanded their workforce, creating a total of 364 jobs which were primarily linked to the tourism and hospitality sectors. The report was also submitted to the Department of the Premier in the 2010 FIFA World Cup.

Quarterly Economic Reviews

During the year under review the Department, in partnership with the Bureau of Economic Research (of the University of Stellenbosch) and Provincial Treasury, published four Provincial Economic Reviews. Two major economic reviews were hosted in Nyanga and on Table Mountain respectively. In both reviews entrepreneurs and members of the public attended the event in numbers to engage the Minister on the latest economic performance to identify economic opportunities and constraints. The quarterly economic review is an on-going Ministerial initiative to provide a public platform where citizens and business people engage constructively, based on sound economic data to explore possible initiatives to improve the economic wellbeing of the province.

Investment Climate Assessment of CMT SMMEs in the Clothing and Textiles Sector

Due to its labour intensive nature, the Clothing and Textiles Sector has tremendous potential to create and absorb new job opportunities, grow the economy and alleviate poverty. However, serious challenges have emerged for this sector in the last decade, which include increased international competition following very rapid trade liberalisation, poor innovation, lack of investment, skills development and access to finance. These challenges have posed considerable difficulties resulting in significant job losses, and the closure, relocation or downsizing of a large number of manufacturers. It's against this backdrop that the research unit collaborated with the Clotex SPV in an attempt to obtain an investment climate assessment of Cut, Make and Trim (CMT) SMMEs in the Province. There have been a number of studies commissioned in this area and while these studies are not without value, they have not provided the data necessary to inform policy support for the sector.

As a result, the Department has worked in partnership with the Clotex, tapping into its expertise and together developed a comprehensive survey instrument, which was able to supply us with information of the CMTs SMMEs which have the most potential for output and employment growth. Furthermore, the Department was also able to identify the major constraints that these SMMEs in the province currently face and therefore are now able to substantially contribute to the design of any policy support.

Given that rough estimates (August 2010) of the CMT SMMEs in the greater metropolitan region were between 10 000 and 15 000, and that these are informal, it was decided to survey 1 200 CMT in seven corridors in the greater metropolitan region. These corridors were:

1. Maitland/Kensington
2. Salt River/Woodstock
3. Elsie's River/Matrosfontein/Blue Downs/Eerste River/Blackheath
4. Athlone(Bridgetown, Kewtown, Silvertown)/Manenberg/Heideveld/Bonteheuwel/Hanover Park
5. Ottery/Wynberg/Retreat/Grassy Park/Fairways

6. Mitchell's Plain/Philippi/Khayelitsha
7. Macassar/Strand

Notwithstanding its immediate and direct impact on policy, the study also suggests the way forward for further research in this area. In addition, based on the Department's partnership agreements, postgraduate students are eager to utilise this survey as a data source. The Department will receive full acknowledgement as being the owner of the data.

Collaboration with Universities

The Department's industrial policy involves institutional arrangements between the private sector and Government. However, universities, which have a key role to play, have often not been part of this collaboration. The triple helix system is an approach which involves tapping the synergies of three different actors: universities, industry and government. The key benefit of this approach is knowledge spillover between these three different actors (Irawati, 2007: 2; Etzkowitz, 1997). In this approach the university is engaged as the centre of excellence (with its academic-based research and development activities), industry as the provider of the customer demand (based on its commercial activities as well as research and development) and Government as a policy maker (Irawati, op cit).

It's against this backdrop that the research unit actively pursued entering into a formal partnership with three universities. In a nutshell, the collaboration is structured to assist the actors in matters of economic development in the Western Cape, particularly with regard to industrial policy with new knowledge, innovation and technology being generated.

The three universities, which the Research Unit engaged to enter into a formal partnership with the Department, are:

1. The Aids and Society Research Unit (ASRU) of the Centre for Social Science Research at the University of Cape Town;
2. The Economics Department at the University of the Western Cape;
3. The School of International Service, American University

Thus far, benefits from the relationships have included:

- statistical software training for the unit;
- an agreement between UWC and the Department to investigate the possibility of using MEDS research studies as a basis for a short course in industrial policy, which will be offered and accredited by the university with the intention that the course eventually becomes a module in an honours or master's programme;
- bursaries for students with dissertations in the field of industrial policy; and
- a formal partnership between the Department and the American University whereby the Department will host two interns from the university for a period of five weeks each year.

Sub-Programme 5.3: Knowledge Management

E-filing or Enterprise Content Management System

During the year under review the Department commenced with the implementation of an ICT Plan. The e-filing project was initiated and a business requirement analysis was completed. For 2011/12, the Department will implement e-filing in accordance with the business requirement which clearly indicates the best system that matches departmental business requirements.

Economic Intelligence

A critical aspect of Knowledge Management is to generate economic intelligence reports and share them with relevant units of the Department. During the year under review, the unit completed four economic intelligence reports. These reports focused on Global Competitiveness, Research and Development in the Private Sector, Knowledge Economy and Scenario Economic Planning.

Learning Networks

As part of the programme's strategic initiative, the programme initiated four learning networks with internal and external role players. The focus of the learning networks was to share information and exchange ideas on economic development policies and strategies. A delegation from the World Bank also participated in one of the learning networks together with UCT's Professor Dave Kaplan and the Head of Department.

Resource Centre

During the year under review the Resource Centre became a hub of information for departmental officials. The Resource Centre provided internet services for those who did not have access to the internet. It also purchased the latest economic journals and economic publications for official use. The Resource Centre also provided a shared drive for data storage of completed research and project information on all departmental programmes.

Sub-Programme 5.4: Monitoring and Evaluation

The monitoring and evaluation unit's main purpose is to inculcate a results-oriented approach in order to promote good governance and to accelerate DEDAT's performance. This is achieved by continuously assessing service delivery through performance monitoring and evaluation (M&E). Prior to the robust interventions that the M&E unit has introduced, it started by:

- Conducting an M&E diagnosis with the aim of ensuring that appropriate and relevant M&E strategies are undertaken within DEDAT. This study included one-on-one interviews with all programme managers and some project managers. This situational assessment firstly provided clarity on the status of M&E within the Department and secondly developing a collaborative view on where M&E needed to be strategically positioned. This diagnosis will be used as a baseline to

assess the progress or lack thereof in the future.

- The M&E unit has developed and shared pivotal M&E documents which include a guide on developing performance indicators and a discussion document on M&E concepts and definitions. These guidelines are important in promoting standardisation and in creating awareness around M&E best practice.
- The abovementioned activities were followed by project-specific meetings to share the process that will be undertaken in conducting monitoring and evaluation across the Department. This participatory process yielded buy-in on project-specific interventions.

Robust monitoring and evaluation allows one to establish whether desired outputs and outcomes have been achieved, as well as to present possible ways in which programmes can be improved going forward. The following initiatives were implemented in the 2010/11 financial year to execute the mandate of the unit:

Provincial Executive Project Dashboard

The Dashboard is one way in which continuous monitoring is being undertaken in the Department. This system provides a synopsis of APP projects and indicates actual achievement against the set quarterly targets. As part of its strategic monitoring mandate, the unit together with the policy planning unit provided support to all departmental programmes to ensure project plans are developed in accordance with Provincial Management Guidelines. Once finalised, project plans undergo a quality assurance process, before being loaded onto the Dashboard. Continuous support is also provided to new and existing Dashboard users by conducting training on a regular basis. The key output of the Dashboard was the quarterly report that demonstrates how the Department is performing. These reports were used by the HoD, Minister and the Premier in their overall management of the Department's performance.

Performance Monitoring

A total of 21 project performance monitoring studies were conducted across the departmental programmes. The strategic focus of performance monitoring is to assess the likelihood that projects will attain their objectives and to propose ways in which projects can be improved. A collaborative approach was followed with strong emphasis placed on the utilisation of the findings. To give effect to this, the Monitoring and Evaluation specialists, in consultation with the relevant project manager, developed an action plan to track the planned corrective measures. Follow-up meetings will be convened to ensure these corrective measures contribute to the project (and beneficiaries) in a positive manner.

Some common challenges emerged through the process: it became clear that the lack of credible baseline data and proper capturing of beneficiary information make it difficult to track performance over time. The current robust performance monitoring of 21 projects will provide a baseline for performance of projects.

Outcome Evaluations

During the year under review, the Department conducted a total of five evaluations of departmental projects. These projects were:

- The RED Door
- Work and Skills
- MEDS Sectors
- Consumer Redress Outcome Monitoring
- Office of the Consumer Protector Awareness Survey

The evaluation of projects focused mainly on the extent to which the project is achieving the desired outcomes. The evaluations also seek to identify if any there were unintended consequences as a result of the implementation of projects. In some evaluations independent Monitoring and Evaluation experts were used to provide capacity and strengthen the objectivity of the evaluation process. The recommendations of both the monitoring and evaluation reports are taken forward by means of an action plan to encourage utilisation of these findings. This is the first step towards institutionalising a culture of Monitoring and Evaluation within the Department. It is furthermore anticipated that these recommendations will not only inform strategic decision making and resource allocations but will also provide guidance on best practice when implementing programmes – both in the case of sector bodies and where service providers are contracted.

Partnerships and capacity building with institutions of higher learning

To ensure that the unit remains at the cutting edge of contemporary monitoring and evaluation approaches, methodologies, systems and activities, the programme has established partnerships with institutions of higher learning. Through these partnerships, Monitoring and Evaluation practitioners remain up to date with the latest developments and have access to academic experts who may also lend assistance through peer review of departmental monitoring and evaluation processes or evaluation studies conducted.

During the 2010/11 financial year the partnership structure was utilised to assist with data collection: instead of contracting fieldworkers for data collection activities, second-year CPUT Public Management students were utilised to conduct face-to-face interviews and telephonic interviews. Monitoring and Evaluation practitioners also took advantage of the training offered by the newly established African Doctoral Academy at the University of Stellenbosch, which offers various monitoring and evaluation training courses. The international and national networks with professional bodies such as the South African Monitoring and Evaluation Association (SAMEA) have exposed the M&E unit to best practices across the world. Through these networks the Department had an opportunity to access and share knowledge with profound M&E international experts such as Patricia Rogers, Howard White and others. The capacity-building interventions also afforded the departmental monitoring and evaluation practitioners with the opportunity to network and exchange ideas with the other monitoring and evaluation practitioners in the Province. Furthermore, the monitoring and evaluation practitioners also liaised with University of Cape Town and Stellenbosch

Monitoring and Evaluation units, the Medical Research Council and the Human Science Research Council to explore areas of collaboration and mutual benefit.

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme:5.1 Policy and Planning					
Strategic Objective (Outcome Indicator)					
1.1	Updated Provincial Economic Development Strategy	1		Strategic Objective 1 became the provincial economic strategy	
1.2	Updated Sector and Theme Strategies	3	0	PSO1 stated that the DEDAT should reprioritise sectors and this meant that the DEDAT could not update the current sector strategies as they may change after the reprioritisation.	
Sector specific performance indicator (Output Indicators)					
1.1	Number of economic strategies developed	2	0	PSO1 mandated the Department to review sector prioritisation before developing new strategies.	Sector strategies will be developed in 2011/12 in accordance with PSO 1
1.2	Number of economic strategies reviewed	3	3		
Provincial performance indicator					
1.1	Number of Strategic Planning sessions	4	4		
1.2	Number of translated national, provincial and local government economic policies	1	2	National departments produced more economic-related policies that were required to be translated	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 5.2 Research and Development					
Strategic Objective (Outcome Indicator)					
1.1	Established and recognised as the repository of credible Provincial economic intelligence	Fully functioning and effective information gathering and dissemination unit		This must still be assessed, however from the observations, the Department has gathered information for all stakeholders i.e. Minister, Premier and even for PERO.	
Sector specific performance indicator (Output Indicators)					
1.1	Number of research reports compiled	10	13	A number of SPVs were proactive and provided support for data gathering.	
1.2	Number of Research and Development initiatives supported	1	1		
Provincial performance indicator					
1.1	Number of Annual Economic Publications	1	1		
1.2	Number of Quarterly Economic Reviews	4	4		
1.3	Number of capacity-building partnerships with universities	3	3		
Sub-Programme: 5.3 Knowledge Management					
Strategic Objective (Outcome Indicator)					
1.1	Level of staff awareness increased	50% of staff informed and effective - to be measured by internal annual survey		This can only be assessed through a survey, which the unit is currently conducting.	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 5.3 Knowledge Management (continued)					
Sector specific performance indicator (Output Indicators)					
1.1	Number of provincial economic intelligence reports produced	4	6	The City of Cape Town's ground-breaking work on global competitiveness which provided more economic intelligence reports for analysis and sharing.	
Provincial performance indicator					
1.1	Fully functioning resource centre	100% functioning resource centre	100%		
1.2	Fully functioning e-filing in accordance with Provincial guidelines	Establishment of e-filing system within the Department	Business Case for the implementation of Live Link is completed.		
1.3	Fully functioning content enterprise management through Live link	Establishment of enterprise content management i.e. Live Link	Business Case for the implementation of Live Link is completed.		
1.4	Number of learning networks facilitated	4	4		
Sub-Programme: 5.4 Monitoring and Evaluation					
Strategic Objective (Outcome Indicator)					
1.1	Learning organisation results utilised throughout the Department	100% learning results utilised throughout the DEDAT		An assessment of all the evaluations and the implementation of learning will be conducted in the next financial year. All evaluations contained recommendations that programmes will implement in the next financial year.	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme: 5.4 Monitoring and Evaluation (continued)					
Sector specific performance indicator (Output Indicators)					
1.1	Number of monitoring reports produced	20	21	More programmes were open to performance monitoring than what was anticipated.	
1.2	Number of evaluation reports produced	5	5		
Provincial performance indicator					
1.1	Functional Management of the Departmental beneficiary database for monitoring and evaluation	100% functional database	100% functional database		
1.2	Quarterly Project Dashboard Analysis	4 quarterly reports	6		
1.3	Number of capacity-building partnerships with Universities	2	2		

PROGRAMME 6

TOURISM, ARTS AND ENTERTAINMENT

Purpose

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

Service delivery objectives and indicators

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

Public sector interventions in the tourism industry are effected through the activities of tourism marketing, tourism development and tourism regulation. The strategic direction and policy imperatives for tourism as a whole are set out by the Department. Tourism Development and Tourism Regulation were implemented by the Department in the 2010/11 financial year. Tourism Marketing was implemented by Cape Town Routes Unlimited (CTRU), the provincial public entity that serves as the destination marketing organisation.

During the 2010/11 financial year, Cape Town Routes Limited's (CTRU) Conventions Bureau secured 17 Bids for conferences and conventions worth an economic value of R283 500 000. During the same period, 12 Joint Marketing Agreements were secured, with an economic value of R54 375 000. Nineteen events were supported, of which three events (Cape Town International Jazz Festival, Cape Argus Pick n Pay Cycle Tour and Absa Cape Epic) had an estimated economic impact of R1.271 billion on the destination. In Tourism development, R1 150 000 was invested in tourism infrastructure for phase 2 site enhancement of the Southernmost Tip of Africa.

The policy recommendations of the Western Cape Micro-economic Development Strategy states that the Commercial Arts and Entertainment sector "has the potential to be an important contributor to the provincial economy, displaying the following characteristics: thriving and fast-growing commercialised sub-sectors, particularly in film, craft, music, performing arts and visual arts; significant export earnings through Intellectual Property rights, travelling shows and exhibitions; large-scale consumption of indigenous commercial arts and entertainment products; a rich source of new tourism products; and a major contributor to the attractiveness of the Western Cape as a tourism destination".

Support is provided for the commercialisation and internationalisation of the film, craft, music, performing

arts and visual arts sectors. In the 2010/11 financial year, the following SPVs (Special Purpose Vehicles) for the Commercial Arts and Entertainment sectors were supported:

1. The Cape Craft and Design Institute (CCDI) for the craft sector.
2. The Cape Film Commission (CFC) for the film sector.
3. The Cape Music Industry Association (Cape MIC) for the music sector.
4. The Performing Arts Network of South Africa (PANSA) for the performing arts sector.
5. The Visual Arts Network of South Africa (VANSA) for the visual arts sector.

During the 2010/11 financial year, the combined value of funds leveraged in Sector Development for Film, Craft, Music, Performing Arts and Visual Arts amounted to R15 353 727. For the same period, the value of investment and trade in Film was R2.5 billion and the value of trade in Craft was R2 700 000.

Tourism Destination Performance

The World Tourism Organisation recorded 935 million international arrivals in 2010, a 6.7% increase compared to the 877 million arrivals recorded in 2009. South Africa reported a growth and received 8 073 552 international arrivals in 2010, a 15.1% increase on the 7 011 865 arrivals in 2009, which means that South Africa outperformed the global market by more than 8%. The 15.1% growth in tourist arrivals to South Africa outperformed that of every other region in the world, including arrivals growth of 13.9% for the Middle East, 12.6% for Asia and the Pacific, 7.7% for the Americas, 6.4% for Africa and 3.2% for Europe.

It is important to acknowledge that the particularly good growth in South Africa's arrivals figures was undoubtedly given a significant boost by the 2010 FIFA World Cup. South Africa in fact recorded a peak in tourist arrivals in June and July 2010, which is traditionally our low season. From the results of surveys on arrivals during the World Cup, we know that more than 309 000 tourists arrived in South Africa for the primary purpose of the World Cup. The World Cup arrivals therefore represent about 4% of the total arrivals for 2010.

The Western Cape experienced a 14.3% growth with 1 504 698 tourist arrivals in 2010, from 1 316 795 arrivals received in 2009. There has also been an increase in the Total Foreign Direct Spend (30.7%) where the province achieved R21.7 billion in 2010 compared to R16.6 billion achieved in 2009. Bed nights in the Western Cape also increased by 27.4% with a total number of bed nights of 19 971 821 in 2010 compared to 15 680 688 bed nights recorded during 2009.

The Western Cape is the Business Tourism Hub of Africa. The Cape Town International Convention Centre (CTICC) has to date made a cumulative contribution of R14.1 billion to the national Gross Domestic Product (GDP). It is expected to contribute a further R17.3 billion over the next five years. There has also been a R4.9 billion cumulative contribution to the Western Cape Gross Geographic Product (GGP).

During 2010, the CTICC contributed R2.31 billion to national GDP and R835.7 million to the Western Cape GGP. Visitor days make up the major part of the macro-economic contribution of the CTICC. There were nearly 1 120 000 visitor days in 2010 from delegates and visitors to the CTICC.

Major Outputs

Sub-Programme 6.1: Tourism Arts and Entertainment Management

The Western Cape Tourism, Arts and Entertainment Partnership, which provides a mechanism for consultative governance, was maintained in the 2010/11 financial year. The **Tourism, Arts and Entertainment Unit** provided secretariat support to the Partnership, which facilitated 12 engagements with 816 members engaged. These engagements included the plenary session for the 4th quarter, which took the form of the 2011 Cape Town and Western Cape Tourism Destination Conference. The Tourism HRD Sub-committees held three meetings regarding tourism human resource development matters. Overall, the sector engagement meetings with the Minister focused on key strategic drivers and unblocking constraints in the sectors.

The unit also developed position papers on Customer Service Excellence in Tourism and Tourism Technology and Innovation.

The Customer Service Excellence in Tourism desktop research was conducted to understand the current state of customer service excellence in the Western Cape with regard to existing training and initiatives in place. In addition, research and best practice examples were examined globally. An official familiarisation trip was undertaken to Sydney (Australia) and Singapore, which included examining the raising of service standards and promoting a culture of service excellence. The findings will influence the 2011/12 implementation of tourism service excellence training.

The Tourism Technology and Innovation desktop research was conducted to understand the growing importance of technology and innovation in growing the tourism industry. There has been a total shift towards the internet and mobile marketing in line with Web 2.0 and the introduction of Web 3.0. The tourism environment is also shifting towards a greater emphasis on ICT and the traditional way of doing things in print media will be transformed into more updated technologies such as interactive social media marketing. This will be further investigated in the 2011/12 financial year.

Sub-Programme 6.2: Tourism Growth Directorate

The **Tourism Development Unit** is responsible for the Western Cape Development Plan, which is the five-year blueprint for tourism development and is updated on an annual basis. The Western Cape Tourism Development Plan has been updated and expanded to include the development of tourism niche markets, routes, infrastructure, sites, attractions and facilities, the environment in general as well as the expansion of tourism products. There is emphasis on a wider distribution of visitors throughout the province and the identification of economic opportunities, especially with regard to local tourism development.

In the 2010/11 financial year, Tourism Development's focus was on infrastructure development and leveraging funds from other sources. Strong relationships were built with the National Department of Tourism's Social Responsibility unit, which is responsible for the Tourism Extended Public Works Programme (EPWP) Fund.

Stakeholder workshops were conducted in the following grouped regions: City/Winelands/Overberg and West Coast and Southern Cape. Together with the National Department of Tourism, presentations were made on the EPWP funding and criteria for selection of projects. This enabled the stakeholders to finalise and submit proposals to DEDAT, who processed a round of screening before submitting projects to the National Department of Tourism requesting funding. Projects submitted and awaiting funding approvals are:

- Phase 1: False Bay Ecology Park (development of the Eastern Shore as a recreational and tourist centre) and the Blaauwberg Conservation Area (multi-purpose gateway centre), with a combined requested budget of R25 000 000.
- Phase 2: Langebaan Arts, Craft & Cultural Centre; Clanwilliam Living Landscape Heritage Project and !Kwa ttu San on the West Coast; Hawston Gateway in the Overberg; Hornlee Natural Park in Eden; and the Biggest Painting in the World and the Karoo Airport Gateway both in Central Karoo.

The Department also provided funding for the implementation of phase 2 Southernmost Tip of Africa, which in partnership with SANParks (South African National Parks), will finalise the iconic structure at the Southernmost Tip and provide site enhancement features. Phase 1 was completed at the beginning of 2010 when a boardwalk was built.

The **Tourism Destination Global Competitiveness Unit** successfully implemented the following:

- The Tourism Safety and Support Programme, now in its sixth year, responded to 67 incidents of tourists in distress. This proactive programme maintains a good relationship with the South African Police Service and embassies/consulates, as well as with tourism stakeholders. In the 2010/11 financial year, it reinforced its commitment to preventative measures by distributing brochures containing travellers' tips to 485 establishments.
- The Department implemented the Tourism Quality Assurance Programme for tourism products throughout the Western Cape. The programme outlines minimum requirements for four categories of tourism products – accommodation, conference venues, tour operators and restaurants. The Department conducted 437 minimum-requirement inspections to ascertain whether tourism products qualified for membership of their specific local tourism organisations. In addition, four assessments of tourism attractions were conducted.
- The Regional Tourism Liaison Committee, which facilitates implementation of the Tourism Road Signage Framework for the Western Cape, held 13 meetings under the auspices of the Department in all six regions of the province. Ninety-eight individual applications for signage were processed. In addition, three tourism road signs were erected for the Whale Route, the Cape to Namibia

Route and the Southernmost Tip of Africa (Cape Agulhas).

- Access the Cape introduced 742 beneficiaries to tourism attractions in the Western Cape.

The departmental **Tourism Quality Assurance** inspectorate undertook over 400 inspections throughout the province at the request of local tourism bureaus. The inspections provide invaluable assistance to emerging entrepreneurs, especially at entry level.



PHOTOS: CEO of Cape Agulhas Tourism, Angela Millar, and Provincial Junior Quality Assessor, Leony September, hand over the official provincial certificate to Haus Barbara and Bredasdorp Square as acknowledgement of their commitment to quality service, visitor satisfaction and tourism excellence.

Sub-Programme 6.3: Tourism Participation Directorate

In the 2010/11 financial year, R3.188-million was spent on tourism training and enterprise development, with 8 190 people benefiting. In the 2009/10 financial year, R3.441 million was spent, with 6 240 people benefiting from tourism skills and enterprise development training programmes. The just over 31.3% increase in beneficiary throughput can be ascribed to the skills and enterprise training programmes being refined to ensure more value for money, as well as leveraging co-funding from external sources, such as the Tourism Enterprises Partnership (TEP) and THETA. Of the 8 190 people trained, 1 112 were youths who participated in tourism enterprise development training, tourism HRD programmes and tourist guide training.

The **Tourism Human Resources Development Unit** and the Tourism HRD sub-committee of the Western Cape Tourism, Arts and Entertainment Partnership achieved the following:

- The Western Cape Tourism Human Resource Development Plan was updated, thanks to the participation and support of Tourism HRD stakeholders of the Partnership, including representation from THETA (Tourism Hospitality and Sports Education and Training Authority SETA). The updated plan is aligned to the Department's strategic plan and includes human resource development interventions for tourism skills training, enterprise development and tourist guiding.
- It implemented the following tourism HRD programmes, with a total of 3 164 beneficiaries:
 1. Tourism Job Shadowing assisted 128 young people with on-the-job work exposure in the tourism industry.
 2. Tourism Career Awareness road shows assisted 645 youths with sector career advice.
 3. Local Internship Programme, which assisted 139 young people with host employer placement and co-funded the internship stipends, in line with the tourism qualifications. The beneficiaries were students completing tourism qualifications at HEIs. The employer placements enabled the students to successfully obtain their qualifications and to possibly access employment opportunities within the industry.
 4. Local Internship Programme, which assisted 153 youths with host employer placement and funded the internship stipends, in line with the tourism qualifications. The beneficiaries were students completing tourism qualifications at FETs. The employer placements enabled the students to successfully obtain their qualifications and to possibly access employment opportunities within the industry.
 5. Tourism International Internship programme identified four young people through a provincial recruitment and selection process. They were placed with international host employers.
 6. Tourism Collective Bursary programme, in partnership with THETA and NSFAS, provided 43 beneficiaries with bursaries for the 2011 academic year to enable them to obtain a qualification in tourism in line with the priority skills areas at public higher education institutions.
 7. Tourism Service Excellence Training provided 2 052 beneficiaries with upskilling in customer service to enhance frontline service excellence in the tourism industry.

TOURISM HUMAN RESOURCES DEVELOPMENT

“Once-in-a-lifetime” Tourism opportunity

Four Western Cape hospitality graduates were funded by the Department to experience a once-in-a-lifetime opportunity to gain first-hand work experience in the international hospitality environment at leading American and Canadian hotel groups.

The graduates were recruited in partnership with the public Higher Educational Institutions and Further Education and Training institutions within the Province through the winning partnerships leveraged between the Department, the National Department of Tourism and Ubuntu Exposure International Exchange Programme (Pty) Ltd. The four graduates and an additional five Western Cape unemployed hospitality graduates were also able to access this opportunity and financial support to participate in this programme. The Department and the other funding partners paid for the international travel placement costs. The International host employers provided top-class on-the-job exposure and stipends which included accommodation and full backup support in the host countries for the graduates during the placement.



Mr Alan Winde, Minister of Finance, Economic Development and Tourism, with the hospitality graduates.

A farewell function was held in July 2010 to launch the programme and acknowledge this opportunity provided to these graduates. Minister Alan Winde was present to bid farewell to the nine graduates departing for their top international experience. The roll-out of this programme has resulted in increased stakeholder partnerships which will broaden access for unemployed youths exiting tourism qualifications to access international placement opportunities.

The **Tourism Enterprise Development Unit** in the Tourism Participation Sub-programme successfully implemented the Tourism Enterprise Development Programme, which provided entrepreneurial development support to tourism businesses.

The Tourism Enterprise Development Programme, implemented by Casidra, assisted 3 650 individuals in all six regions of the Western Cape, in the following programmes:

- Tourism Awareness sessions assisted 3 092 individuals who wanted to start a business in the tourism industry.
- Tourism Enterprise Development (Beginners) provided 389 beneficiaries with a sound introduction to tourism entrepreneurship.
- Tourism Enterprise Business Support provided tourism business support to 169 beneficiaries.

The Tourism Enterprise Development Programme, in partnership with the Tourism Enterprise Partnership (TEP), assisted 984 emerging existing tourism businesses in the following programmes:

- Tourism Enterprise Development (Intermediate), provided training to 149 beneficiaries.
- Tourism Enterprise Development (Advanced) assisted 74 mainstream entrepreneurs with business support. Businesses need to show profitability and the potential to grow or diversify in order to participate.
- Tourism Mentorship Programme assisted 21 businesses. Other partners include The Southern African Tourism Services Association (SATSA), The Federated Hospitality Association of South Africa (FEDHASA), and The South African Association for the Conferencing Industry (SAACI).
- Tourism Economic Empowerment Programme assisted 740 tourism businesses with Tourism Sector Code compliance.

The **Tourism Regulation Unit** continued to implement training and development programmes for citizens to become tourist guides and to ensure that they participate meaningfully in the tourism industry. Workshops and programmes to improve skills were also implemented for registered tourist guides. A total of 392 beneficiaries participated in tourist guide training and development. Quarterly newsletters informing the tourist guides of developments in the industry were published and distributed.

The provincial Tourist Guide Registrar, responsible for keeping an accurate and accessible register of qualified tourist guides, in accordance with legislation, recorded 645 new registrations and 1 160 re-registrations for the 2010/11 financial year. At the end of March 2011, the Department's database reflected 3 563 registered Western Cape tourist guides.

The Tourism Second Amendment Act 70 of 2000 currently does not empower Provincial Registrars to issue penalties to illegal tourist guides. However, attempts are being made to establish a closer relationship with SAPS so that appropriate charge sheets can be formulated against individuals found to be guiding illegally. At a national level, the National Department of Tourism has formulated a Draft Strategy to Professionalise Tourist Guiding. It is envisaged that this process will give rise to possible amendments to the Tourism Second Amendment Act of 2000.

The legislation states that: "Any company or close corporation that contravenes some sections of the Act shall be guilty of an offence and liable on conviction to a fine not exceeding R10 000". This means that any tour operator who makes use of an illegal tourist guide would need to be reported and if found guilty, the company can be fined. The Department will therefore continue to engage tour operators in order to create awareness about the hiring of only registered tourist guides as well as advise what to look for when hiring tourist guides. Most importantly, tour operators need to be encouraged to keep track of when tourist guides need to renew their registration.

It is therefore important that illegal guiding inspections continue to take place in the Western Cape. The inspections identify tourist guides operating illegally and also create awareness amongst the general public, visitors and tourism companies about the implications of making use of illegal guides. In the past, inspections have increased compliance levels by contributing significantly to the rise in the number of new registrations and renewal applications received. Creating a positive and conducive environment for guides to operate in also contributes to the growth and sustainability of the tourist guiding sector.

The Western Cape has taken a proactive approach to try and combat illegal guiding activities in the province by appointing dedicated Inspectors to conduct regular inspections. In the 2010/11 financial year, 1 039 individuals were inspected at various attractions throughout the province. Out of the guides inspected, 152 were found guiding illegally. Illegal guides in this case include tourist guides guiding with expired registration cards as well as unregistered guides. All illegal guides were issued with warning letters informing them about the implications of guiding illegally as well as to encourage them to register with the Department.

During February and March 2011 the Department rolled out a series of information sessions for tourist guides. The information sessions were specifically aimed at enhancing the knowledge of existing tourist guides and proved to be very popular amongst the guides. Seven information sessions took place with over 250 tourist guides attending. To enable South African tourist guides to compete effectively in a global market and achieve sustainable employment in the sector, training and up-skilling initiatives such as these are invaluable.



Mr Phenias Ncube from the Office of the Consumer Protector in the Department, giving a presentation to tourist guides on the new Consumer Protection Act.



Mr Quintin Vaughn, Tourism Manager of Table Mountain National Park, addressing tourist guides about the main attractions and historic sites within the Table Mountain National Park.

Sub-Programme 6.4: Destination Marketing Organisation (Cape Town Routes Unlimited)

The Provincial Government of the Western Cape (PGWC) has outsourced the implementation of its tourism marketing activities to Cape Town Routes Unlimited (CTRU), the provincial public entity that serves as the tourism destination marketing organisation. Major outputs of the Destination Marketing Organisation's (trading as Cape Town Routes Unlimited) sub-programme during the 2010/11 financial year included:

International Marketing: Europe & the Americas and Cape Town and Western Cape Conventions Bureau

- The Cape Town and Western Cape Conventions Bureau sourced and submitted 42 formal association bids and proposals. Of these conferences, 12 were secured with an expected economic impact of R221.5 million and the potential of attracting 17 300 delegates and generating a total of 51 conference days. A further five conferences from the previous financial year (2009/10) were secured. The total economic impact of all 17 secured bids amounts to R 249 650 000.
- The Cape Town and Western Cape Conventions Bureau participated in and facilitated 17 delegate-boosting activities in support of conferences hosted in Cape Town and the Western Cape, and marketed the destination to 24 770 delegates.
- The unit facilitated and hosted 17 media groups (consisting of 43 delegates) from the following countries: UK, Ireland, USA, Germany, Scandinavia, Japan, France, Australia, Brazil, Italy and the Netherlands. The unit also hosted 24 international TV crew delegations from core and emerging markets.
- The unit hosted and facilitated six international travel-trade familiarisation trips to the destination (consisting of 549 trade delegates from the UK, USA, Germany, Brazil and Italy).
- During the year, the Cape Town and Western Cape Conventions Bureau distributed 239 000 items of tourism destination marketing collateral at international marketing platforms and at delegate-boosting and on-site event activities.
- The Cape Town and Western Cape Conventions Bureau hosted 60 international and national key industry role players during site bid and convention-planning site inspections. Cape Town sustained its 35th International Congress and Convention Association (ICCA) ranking as a global meetings destination.
- The International Leisure Tourism marketing unit secured 12 Joint Marketing Agreements (JMAs), with an economic impact of R58 125 000. The following five JMAs were concluded: Sundance Tours Argentina, Shop Tour TV Brazil "Beautiful Africa", Travel Group Questex Media USA, Ecco Tours UK and Africa Travel Centre UK.

International and Domestic Marketing: Africa, Asia and the Middle East

- This unit secured joint partnerships and initiatives with Thompsons Tours, Budhouse TV, Hostival and Advanced Publishing, which were all opportunities that were presented by the 2010 FIFA World Cup™.
- CTRU attended the Tourism Indaba, Emirates Brochure Launch, South African Tourism India City

Roadshow, SA Tourism Far East Road show, which covered seven cities in three countries, and the SA Tourism Middle East Road Show and engaged with approximately 100 trade representatives.

- The unit hosted 17 media groups and 251 members from the travel trade, in a bid to increase the number of visitors from the designated target markets. This included some of the high profile media houses, companies and agencies such as BBC World, CCTV China, CNN, Sky and ESPN. Approximately 1.7 billion viewers were reached.
- CTRU supported a total of 11 events - six city-based and five regional events in the destination, of which four had an economic impact of R1.271 billion with a captive audience of approximately 1.2 million people. The unit hosted provincial trade training for the industry, in collaboration with South African Tourism, on market trends in China, Japan and Korea.
- CTRU participated at the Interbike Show in Las Vegas and the London Cycle Show and provided in-kind marketing support. Event organisers engaged with approximately 50 000 visitors.

Organisational and Marketing Support

Marketing Research and Intelligence

The Marketing Research and Intelligence (MR&I) unit conducted various in-house research projects, namely four quarterly Western Cape Tourism Barometers, including the 2010 (annual) report; four Destination Performance Reports; two CTRU Reference Panel studies; a SMME Evaluation study; and a post-event evaluation study of the Cape Town and Western Cape Destination Conference 2011. These reports were downloaded from www.tourismcapetown.co.za 4 528 times.

MR&I also administered three outsourced research projects, namely the Delegate Tracking Study (SITE Conference), Event's Impact Study (J&B Met) and the 2010 Visitor Tracking Survey that tracked the trends and patterns of tourists visiting Cape Town and the Western Cape during the 2010 FIFA World Cup™ (in the winter months, June and July 2010).

e-Business

Alignment with South African Tourism in terms of its e-Marketing activities was one of the key focus areas for the year and the following joint campaigns were executed:

- The Summer Campaign was primarily driven through online components, where 93 products advertised special offers/vouchers on the destination website, www.tourismcapetown.co.za. The campaign was highly successful as 71.8% (1 490) of people visiting the campaign page downloaded the vouchers. This campaign ran from December 2010 to February 2011.
- A destination competition was run on the travel social media site, Where Are You Now [www.wayn.com], which has more than 15 million members. The destination brand was exposed to more than 7.4 million WAYN members on this platform. The competition winner from Uganda visited the destination in March 2011 and his trip was captured through Blogs, Facebook and on other social media platforms.
- During December 2010, South African Tourism announced that the Western Cape will pilot the rollout of the National Tourism Product Database, which ensures that products are verified and

added to a central database at local level. This project will be implemented in the new financial year.

Tourism Information Gateway Centres

- Four Tourism Information Gateway Centres, V&A Waterfront, Beaufort West, Storms River and Vanrhynsdorp, were fully operational during the year under review.
- Excellent working relationships were established with the District and Local Municipalities where the Tourism Gateways are situated. The Tourism Gateways were used as key visitor information dissemination centres on behalf of the Provincial Government during the 2010 FIFA World Cup and also assisted the host city with visitor information services at key locations, such as the Fan Fest and Fan Walk.
- For the 2010/11 financial year, 259 545 visitors were serviced in the Tourism Information Gateways Centres as a whole.

SMME Participation highlights

- In the 2010/11 financial year, the SMME Marketing Support Programmes focused on being more innovative with regard to improved collaboration with important industry stakeholders. This decision resulted in improved marketing and capacity-building platforms, such as the South African Tourism Packaging Workshop, the Tourism Exhibition Workshop, as well as Business Toolkit Training.
- CTRU provided more than 35 SMMEs with the opportunity to participate in two sessions of the CEO's Tourism Business Breakfast - a new initiative aimed at linking small and established businesses.
- Of the 264 SMMEs that were assisted with marketing support programmes during the year, 119 were women and 45 youths.
- In total, Cape Town Routes Unlimited created 17 tourism platforms for small tourism businesses in the 2010/11 financial year.

2010 FIFA World Cup activities

- Reproduction of the Beyond the 90 Minutes Tourist Map in six different languages, with translations for electronic versions in six FIFA languages (six foreign languages are also available on the Website). A total of 50 000 copies were printed.
- Production of a Beyond the 90 Minutes Route Planner and a 2010 Media Voucher Booklet. Ten thousand copies were distributed to visitors.
- Beyond the 90 Minutes Maps were distributed at 2010 Media Centres, of which three were set up: V&A Legacy Centre, Cape Town Stadium and the City Hall; as well as 2010 Information kiosks, of which three were confirmed: Cape Town International Airport, Cape Town Stadium and the City Hall.
- CCTV5 China Sports Channel, which has in excess of 300 million viewers, broadcast the Beyond the 90 Minutes itinerary as well as Beyond the 90 Minutes storytellers and fan ambassadors.
- Upon viewing the webisodes, China's CCTV decided to travel to Cape Town and the Western Cape to cover the destination as part of its pre-World Cup coverage. This resulted in nine 10-minute episodes broadcast to an audience of 6 million.

- Webisodes were completed in six languages and distributed to various media channels, including SAA's in-flight viewing on domestic and international flights reaching approximately 180 000 passengers during May and June 2010 (domestic). The webisodes were flighted on Pick n Pay in-store screens across South Africa during 2010 FIFA World Cup™ months, reaching an estimated 9 million customers. They were also flighted daily at the V&A Waterfront Amphitheatre from mid-May throughout the World Cup, reaching an audience of 1.6 million visitors in June 2010 alone.
- Other webisode achievements include: Budweiser – a major FIFA sponsor was inspired by the Beyond the 90 Minutes webisodes to create its own version. Budweiser included campaign-branded content as part of its BudUnited online reality TV series, receiving over 700 000 views.
- Beyond the 90 Minutes had the opportunity to host BBC World at the V&A Waterfront Amphitheatre. The activation was broadcasted live on BBC and soccer fans and the Beyond the 90 Minutes team was interviewed. Each Beyond the 90 Minutes clip was viewed by 238 million people.
- A partnership was established with tour operator iKapa Tours, which had a dedicated arrival section at Cape Town International Airport that displayed Beyond the 90 Minutes collateral. The campaign's webisodes were shown on screens in iKapa's larger vehicles. AAA Shuttles & Tours had two of their vehicles contracted to international operators (Above Board and Tafuni Travel) for the duration of the World Cup. This partnership resulted in 904 enquiries, 361 bookings and R4 021 897 revenue generated.
- Production and dissemination of a 2010 newsletter dedicated to 2010 and aimed at informing community members, tourism product owners and the general industry about the latest 2010 developments, was distributed. Approximately 56 communiqués were disseminated.
- Approximately 30 000 2010 marketing materials containing key football messages were distributed at domestic and international marketing platforms.
- CTRU's Website hosted YOUTUBE video clips and live streaming of a collection of film footage from towns and regions, which were viewed approximately 1 000 times. The Facebook and Twitter groups that were launched have been showing consistent growth in membership.

“Casa Little Brazil”: 2010 World Cup marketing initiative

- A full audit of media exposure with initial values has been estimated to be worth in excess of R22 million.
- Attendance at the venue grew exponentially with all Brazilian matches sold out. A total of 9 258 locals and internationals visited the venue over the match-viewing period, exposing them to the destination's wide range of experiences and offerings through video footage and marketing brochures.
- Hundreds of thousands of football fans passed by the venue en route to and from the stadium or fan walk. An estimated 500 000 people were physically exposed to the venue and external branding due to its high impact location.
- Over 10 000 tourism flyers, DVDs and information booklets were dispensed in the process.
- CTRU budgeted R340 000 for the project, but managed to generate an additional R940 000 from various public and private partners in cash and “in kind”.

Sub-Programme 6.5: Commercial Arts and Entertainment

Craft

The Cape Craft and Design Institute (CCDI) is a not-for-profit organisation. It was established in 2001 as a joint initiative of the Provincial Government of the Western Cape and the Cape Peninsula University of Technology. Since its establishment, the CCDI's database of craft producers has grown from 63 to 2 229 by March 2011 (a 20% increase in the 2010/11 financial year).

The CCDI's three core programmes, namely business, market and product support, continue to be successfully and professionally implemented. Working in an integrated way, the programmes assist creative entrepreneurs to:

- convert skills and talent into tradable goods, products and services for consumption by domestic and global markets;
- formalise their businesses and achieve business excellence as sole traders, micro, small or medium-sized enterprises;
- increase productivity and participation in the formal economy; and
- utilise a craft sector development approach to connect these otherwise isolated entrepreneurs and so create value chain cohesion, networking and information support to enable them to successfully bring their goods to market.

The Rural Outreach and Communications programmes play a significant role in expanding the reach of the organisation beyond the Cape Metropole and in building a consumer base for local handmade products.

In the 2010/11 financial year, the Cape Craft and Design Institute (CCDI) leveraged additional funding from donors and national and local government. This increased the base funding provided by the Provincial Government of the Western Cape by 50%. Of the CCDI's annual budget of R16.5 million for the 2010/11 financial year, the Provincial Government's contribution was R3.4 million. In the year under review, the MAPPP-Seta recognised the CCDI as an Institute of Sectoral Excellence and has provided funding in 2011/12 for the consolidation of its creative enterprise training unit.

The Department supported the craft sector by providing funding to the CCDI, which ensured that the following deliverables were met and exceeded:

- 2 229 members registered on the CCDI's database;
- 971 people trained;
- 509 businesses assisted with product and enterprise development support;
- 452 businesses assisted with local and international market access;
- R2 700 000 generated in sales for local craft businesses; and
- R5 016 000 leveraged as additional income to the CCDI.

Craft Sectoral Performance

The craft sector is labour-intensive and is mostly made up of micro and small enterprises and offers strong opportunities for enterprise development. Emerging enterprises link into established local and global value chains, and therefore intermediaries play an important role. The key characteristics of the Western Cape craft sector are: a strong retail component, good commercial orientation, a diverse and sophisticated product range reflecting different cultural influences that target high-end consumers, and fair proximity to export infrastructure.

National statistics provided by the Department of Trade and Industry as part of its Customised Sector Programme for Craft in 2007

	Western Cape	Gauteng	KZN	Mpumalanga
Distribution of craft enterprises	1 200	1 200	1 500	500
Raw material suppliers	75	61	10	51
Galleries	53	45	19	19
Markets	230	11	100	99
Retailers	132	29	59	40

CCDI / Western Cape	WC MEDS 2005	2010/11	2009/10	2008/09	2007/08
Number of companies on database	1 662	2 158	1 768	1 229	1 216
Estimated number of jobs	7 165	10 790	8 840	6 145	6 080
Retail Enterprises	348	418	403	376	258
Retail turnover	R200-R500 million	Figures not available			
Number of companies assisted with business, market and product support		820	587	278	252
Direct turnover generated to producers through direct assistance		R4.9 million	R2.7 million	R1.7 million	R1.5 million

The craft sector in the Western Cape appears to be larger and more robust than that in the rest of the country. This is speculative as updated figures are not available from the rest of the country, however the number of enterprises in the province is definitely growing as can be seen from CCDI's data. The growth is attributable to increased tourism, strong retail, major events, growing consumer base and the support of the CCDI to producing craft enterprises.

Studies conducted by the Department and CCDI in this financial year indicated that of the producers participating in CCDI activities in the first three quarters of 2010/11 (April-December 2010), 63% showed an increase in revenue, 44% increased staff (of 41 businesses, a total of 146 part-time and full-time additional staff were employed) and 86% had raised their profile. Those producers who reported actual turnover differences showed a 174% increase in turnover in the last year. A City of Cape Town Impact Assessment on the Market Access programme reported a 104% increase in turnover in the last three years. This report records an increase in net profit and net assets of 500% and 577% respectively.

Film

The Cape Film Commission (CFC) is a not-for-profit organisation. It was established in 2001 by the Provincial Government of the Western Cape and the City of Cape Town. The CFC's database of 1 211 members shows signs of further growth due to the awareness campaign that has been instigated through the media.

The CFC believes that due to the recession lifting and the level of interest now being received from international production companies that the stated figures are conservative estimates. For the last financial year, the film industry generated R5.3 billion to the local economy and sustained 30 000 jobs. This compares favourably with R3.3 billion (approx.) generated within Cape Town and the Western Cape. The CFC has received over 10 enquiries this month alone from producers in the USA and UK wanting to film in the Western Cape. These range from independent producers to Ealing Studios in the UK and 20th Century Fox in Hollywood.

The CFC is working to enable further investment in the Cape Town Film Studios, which should leverage additional interest in the Western Cape as a film destination from the international market. The CFC is working with the local production studios, Hollywood studios and Wesgro on this initiative.

The Provincial strategy for growth includes investment in the film sector through the CFC to provide training to create a sustainable platform for growth of content at grassroots level through new media and emerging channels such as Cape Town Television. The CFC is also working with the Department in the promotion of local film content through local film festivals such as the Cape Winelands Film Festival and international events such as the Edinburgh Film Festival.

The Department supported the film sector by providing funding to the CFC, which ensured that the following deliverables were met:

- 1 211 members registered on the CFC's database;
- 454 people trained;
- 409 businesses assisted with enterprise development support;
- 122 investment and trade projects realised;
- R2.5 billion value of investment and trade in Film; and
- R5 240 895 leveraged as additional income to the CFC.

Film Sectoral Performance

The film sector executes activities that include feature film, television productions and documentaries (long form), commercials and stills photography. It also extends to contemporary new media platforms such as animation and gaming. The film industry in South Africa has grown rapidly over the last decade. An industry that in 1995 generated 400 jobs now contributes over R5.5 billion annually to the South African economy and has created in excess of 30 000 jobs. It is recognised as key to achieving the country's Accelerated and Shared Growth objectives through the creation of jobs and generating foreign investment. This information from the National Film and Video Foundation demonstrates the importance of Film to the provincial and national economy as part of the Arts and Culture sector which has shown a 14% growth in the past year.

A comparative study between the Western Cape and Gauteng Province conducted by the HSRC in 2004 indicates:

	Gauteng	Western Cape
Economic activity generated	R1.3 billion	R2.56 billion
Number of commercials	68	461
Number of films/series	20	24
Contribution to GDP	0.5%	0.9%

According to this study, the Western Cape leads in terms of the number of big budget, feature film and commercial productions it attracts. This is despite the fact that Gauteng benefits from local broadcasters such as MNET, SABC and ETV being based there and the development of indigenous film production.

The following table provides a breakdown of the nature of the downstream activity generated by the film sector:

	Long Form	Commercials	Stills
Machinery and Equipment	R202.2 million	R139.4 million	R105 million
Catering and Accommodation	R258.0 million	R65 million	R111.2 million
Business Services	R110.3 million	R94.7 million	R123.9 million
General Businesses	R15.2 million	R161.6 million	R84.8 million
Transport and Storage	R97.2 million	R62.0 million	R1.6 million
Other	R432.7 million	R349.5 million	R233.4 million
Total	R1 115.6 million	R872 million	R659 million

According to local industry sources, the Western Cape generated over R3.3 billion in revenue to the local economy. This includes approximately R1 billion through the commercials sector, with the balance being generated through feature film production (not including animation and documentaries). In 2010 alone, the shooting of films in Cape Town such as Safe House and Judge Dredd will generate over R350 million for the local economy. The success of these films has created a global interest in Cape Town as the number one destination for filmmakers outside of Hollywood. The CFC has received enquires in the past two months from at least eight big budget films requesting information on filming in Cape Town.

The Cape Town Film Studios has developed the capability to produce 3-D movies as demonstrated by the filming of Judge Dredd. This skills transfer to local professionals places Cape Town as one of the world's leaders in this new film technology.

Music

The Cape Music Industry Association (Cape MIC) is proud to have launched during this period the very first project in the region to sync a full orchestra to a 90-minute documentary. This has launched and created an international awareness for a capability within the region which was previously not thought possible. Sixty-six musicians and technicians have already been trained in a new discipline and this is a number which will grow as new projects come on board. Since June 2010, three projects have already been completed – two international and one local. Cape MIC sees this service offering to international clients growing significantly over the next three years.

The Department supported the music sector by providing funding to the Cape MIC, which ensured that the following deliverables were met:

- Music Sector Development registered 786 members on Cape MIC's database which now stands at 3 200 members, responded to 238 enquiries through the helpdesk and held 16 workshops/master classes attended by 411 people.
- R1 130 000 funds leveraged from various organisations outside of the Department, including SETAs, the City of Cape Town and private institutions.

Music Sectoral Performance

The music industry both locally and internationally is in a state of evolution, with South Africa lagging way behind current international trends in most instances. Three overriding factors that are causing the industry to almost re-invent itself from a commercial and business model perspective are:

- Swing back to live music as the largest form of revenue generator (38%).
- Change from physical to digital distribution mechanisms (36%).
- Focus on synchronisation which is the fastest growing sub-sector of the music industry (17%).

In spite of the turmoil, the music industry is still healthy and currently one of the biggest contributors to the creative economy worldwide. Interestingly in the UK, at the height of the worldwide economic collapse, the music industry grew by 4.7%.

South African Music sector	National	Western Cape
Estimated economic value of the music industry	R9 billion	R3.5 billion
Estimated employment	45 000	15 000

Source: Cape Music Industry Association

Within the South African context one sees similar trends although, as previously mentioned, they are lagging far behind and in many ways they are still stuck in the old economy trying desperately to protect existing business models. Physical distribution of recorded music, as opposed to digital, still dominates this sector for the following reasons:

- Loyal consumer base for mainstream Afrikaans and Gospel music repertoire (similar to the USA market, where both Country Music and Gospel still enjoy relatively high volume CD sales).
- Home-based computer penetration is still at a very low level.
- Lack of online sites selling local content.
- Piracy offers cheap music alternative, which is readily available at convenient outlets and more affordable than other consumer channels.

Within the Western Cape there exists great potential and opportunity for the music/sound industry to align itself better with the already well-established tourism and film industries. This is as a result of the growth in the international music sector, currently being the live music and synchronisation for the film, TV and computer game sub-sectors.

Film for Music project at Stellenbosch University

Since Cape MIC's inception, recording orchestral music for film has been one of their key goals. This opportunity was identified as a result of virtually no high quality post-production work currently being done. It is their place to develop the music industry through finding opportunities for job creation and commercial benefit in a very fragmented music industry. Cape MIC's role as facilitator and coordinator of this project has meant that it now plays an even larger role in the fastest growing sector in the music industry i.e. synchronisation work, which is music for film, TV, video and games. In the Western Cape this is an even more pertinent opportunity as it leverages off a recognised film and tourism industry.

At the end of last year, Cape MIC entered into discussions with Trevor Jones, world-renowned Capetonian-born composer, with the ambition of securing a key contract for the industry in the sound-for-film initiative, i.e. recording orchestral music for film. This is an entirely new revenue stream that is being explored and in which development will continue. The pilot project took place in June 2010, using the facilities of the University of Stellenbosch music studios. The South African composition, using a South African orchestra for a South African 90-minute documentary titled *My Hunter's Heart*, produced by Anant Singh, was recorded at the University of Stellenbosch Music Studios.

This could not have been done without the funding from the Services Seta. With their commitment to the long-term opportunity and vision for skills development and the development of the creative industries, a platform was created where both students and professional musicians alike were able to learn in a masterclass environment about synchronisation of orchestral music for film.

Trevor Jones has offered his support to Cape MIC and endorsed Cape MIC's relevance for this industry and the development of orchestral music for film. Regarding the next steps in the development of this revenue stream, he says: "Because of Cape MIC's initiative, discussions are taking place with productions both at home in South Africa and internationally to do more such recordings in South Africa. In order to realise such goals, it is essential that the training and expertise needed for both musicians and sound engineers is put in place and that the venues, technology and equipment are funded and supported. We look to Cape MIC to grow the expertise and skill that is so vital to create a solid infrastructure which has the potential for being the backbone for the production of soundtracks for both international and all South African feature films in the future."

Orchestral Film Music soundtrack

"It was with great pride that I, as a composer and a South African, recently had the opportunity to work in collaboration with Cape MIC on the first orchestral film music soundtrack recording for an all-South African documentary feature film *My Hunter's Heart*. (Executive Producer: Anant Singh; Producer: Helena Spring; Directors: Craig and Damon Foster)

The project could not have been recorded in South Africa without the initiative, support and

the expertise of Cape MIC who were entirely instrumental in setting up the recording venue, accommodation, personnel, musicians, technical equipment and support. This they achieved under the restraint of budget and schedule. The result was a highly accomplished soundtrack recording of international standard which has been acclaimed by the Producers and Directors of the film. We are especially proud to have been part of the first all-South African production.

By Dr Trevor Jones, MA PhD FRAM FP

Performing Arts

In the past financial year, the Department supported the performing arts sector by providing sector development funding to PANSA (The Performing Arts Network of South Africa), which ensured that the following deliverables were met:

1. Performing Arts Sector Development and Helpdesk registered 2 755 members on PANSA's database and responded to 999 enquiries through the helpdesk, of which 458 were classified HDI.
2. R3 419 025 funds leveraged during the period specifically in the Western Cape from the City of Cape Town, Africalia, and membership fees and other operational income.

Performance Arts Sectoral Performance

The Performing Arts include Theatre, Dance, Opera and Musical Theatre.

It is estimated that there are approximately 26 theatres in the Western Cape, varying from school-university based theatres to subsidised theatres, open-air theatres and commercial theatres. Of these 22 are located in the Cape Metropole (75%), four (14%) in the Boland region and one (4%) in each of the West Coast, Overberg and Eden regions. There are no formal theatres in the Karoo region.

Dance infrastructure facilities in the region range from privately-owned buildings, publicly-funded institutions to community halls. Private companies have their own studio spaces and equipment as per their needs, both for educational and training purposes and for performance. There are two internationally recognised dance companies operating in the Western Cape; namely Cape Town City Ballet and Jazzart, each employing more or less 50 people on a fixed-term basis. Smaller dance companies, like La Rosa, Dance for All, Amy Gould Dance Theatre and Cape Youth Dance Company, employ workers on a project basis and a host of private companies offer dance training in a diverse range of genres; ballet, contemporary, jazz, modern, hip hop and ballroom.

The festival circuit in the Western Cape is significant, boasting more than 65 creative industry-related events that take place annually. They provide marketing and economic opportunities for the performing arts sector to execute their business, trade their products and services and contribute

a significant amount to the provincial economy. The Performing Arts Sector provides significant offerings to the tourism sector with contributions to cultural tourism, providing unique cultural selling points to tourism destinations, routes and events.

The four key institutions in the region that train actors are UCT's Drama School, Stellenbosch University Drama School, The Waterfront Theatre School and the Academy for Film, Television and Dramatic Art (AFDA). A number of less formal institutions such as the New Africa Theatre Association (NATA) have provided courses aimed particularly at individuals from historically disadvantaged communities who may not have the academic qualifications or the financial resources to enter the mainstream universities and schools.

There are six casting agents based in the Western Cape that provide actors for local film, television and theatre industries with approximately 550 actors employed in the region. In addition, it is estimated that there are approximately 812 full-time support staff and 340 part-time support staff employed in the region. The performing arts industry is reliant on technical support services like lighting, sound management and administrative service support such as business administration and legal services.

2010 FIFA World Cup Entertainment Programme – The Building of Legacy

Part of the City of Cape Town's legacy from the 2010 FIFA World Cup event was to see the creative industries receiving positive long-term benefits from the event. For the Performing Arts, the City and PANSa worked together to include as many local and emerging artists as possible as part of the entertainment programme at the Public Viewing Areas. PANSa was contracted to run the Artists Auditions, the Artist Enhancement and the Artist Management programmes for the Fan Parks, Fan Walk, Airport and Park & Ride facilities. Over 3 500 artists participated in the audition process, resulting in 166 acts performing throughout the City. The event provided an important opportunity to provide exposure to our excellent artists. PANSa was in a position to do this through the operational strength provide by donors that understand the value of organisational support, such as the Department.

One of the interns, Naadir Hendriks, illustrates the powerful opportunities available to people through such events. Naadir joined the project as a runner to assist the Project Managers. His enthusiasm and interest in the project resulted in him being employed as an intern to assist with the administration of the project. During the five months spent on the project he was promoted to a site manager, monitoring local performers and liaising with event organisers and eventually to a position called ROCCO (radio control operator). He was in charge of the call centre and the mass of information flowing in and out of the organisation as they scheduled and managed 698 performances by 166 Acts across 14 different venues (a total of over 552 performing hours by emerging artists). As a result of the project, Naadir has discovered an interest in technical sound engineering and PANSa maintains contact with him to help realise his dream of becoming a sound engineer.

48 Hours – networking and providing opportunities

The 48 hours is a performance festival taking artists from initial concept to performance within 48 hours of intense creative collaboration. The success of the event relies on teamwork, good collaboration and sound decision making.

The Bridgetown Community Theatre Organisation trains disadvantaged youths in dance and drama. Several of their students participated in the event and managed to connect and network with professionals in the industry. Their parents came to see the show and were so blown away by the event and their children's experiences that many are now supportive of their children's aspirations to pursue a career in the arts.

One of the participants commented:

"Thank you both for the hard work and networking opportunities in the 48 hour festival. I was thrilled to be a part of this exciting event. We (our team) have made some creative connections and recognised in each other potential future partnerships."

Visual Arts

The Department supported the visual arts sector by providing sector development funding to VANSA (The Visual Arts Network South Africa), which ensured that the following deliverables were met:

- Visual Arts Sector Development registered 1 638 members on VANSA's database and responded to over 400 enquiries, which ranged from access to the Internet, input and editing of funding applications, direct support on career choices and/or dealing with obstacles.
- R547 807 funds leveraged from DCAS, the City of Cape Town, the National Arts Council, Santam, BASA, Africalia and Distell.

Visual Arts Sectoral Performance

Coulson in a recent article estimated that "the South African Art market was worth just R250 million this year, almost 30% up on 2009's R193 million. On the rule of thumb generalisation that auction sales are usually about half the total value of traded art, this implies that the total sales of visual art in South Africa this year will be about R500m ..."

The most recent and comprehensive data on the South African Visual Art Industry was completed in 2010 by VANSA Gauteng director, Joseph Gaylard, et al, in a research paper by the HSRC for the Department of Arts and Culture. It is Gaylard's estimate that 35% of the national industry is concentrated in the Western Cape. Based on the statistics below we can estimate that 6 195 people work in this sector in the Western Cape.

South African Visual Arts sector	National	Western Cape
Employment		
Overall number of people employed	17 700	6 195
Number of full-time and part-time artists	5 500	1 925
Average annual income (overall)	R105 000	-
Average annual income (artists)	R149 000	-
Economic Impact, for the entire Value Chain from Art Materials through to the finished works		
Direct turnover (sector)	R1 858 775 133	R65 057 130
Turnover (artists)	R665 233 552	-
Gross Value Added (sector)	R791 606 615	-
Gross Value Added (artists)	R251 271 658	-
Total contribution to GDP (direct + indirect GVA for sector)	R1 504 052 569	R52 641 840

Source: VANSAs Gauteng director, Joseph Gaylard, et al, in a research paper by the HSRC for the Department of Arts and Culture.

The South African “Art Information Directory” lists the following infrastructural assets of the Visual Arts present in the Western Cape: 17 Art Museums, 10 Art Consultants, 3 Auctioneers, 8 Corporate Collections, 214 Galleries, 6 agencies promoting art, 49 Arts Education Institutions, 83 Arts material Shops, 3 Art restoration facilities, 26 Artist Studios, 7 Art Publishers, 143 Framers, 220 Libraries with art sections, 7 Art publicity agents, 5 Moulding Manufacturers, 4 Online Galleries, 26 Art Associations. Seventy-six percent of this infrastructure is based in the Metropole, 12% in the Boland and Eden, 6% in the Overberg and less than 1% in the Karoo and the Breede River area. According to Clark-Brown more than 3 800 individuals are employed on a full-time basis within the visual arts industry in addition to at least 400 professional artists who make their living as fine artists.

Corporate Collections are major sources of sales for artists and companies like Sanlam, Rand Merchant Bank, Standard Bank, Hollard and Absa being key players in this regard. Public Art programmes of corporates, city and regional governments also provide opportunities for visual artworks to be sold. A myriad of individual artists sustain livelihoods on informal markets and as street vendors.

VANSA

Cinga Samson

After attending the 2009 mentorship programme at VANSA, and being the star of the graduating show, VANSA recommended Cinga Samson's work for the opening exhibition at Oude Libertas Art Gallery in 2010. Support sometimes means transport and VANSA made sure that Samson's extraordinary and super large canvases were at the gallery to be hung. He had his first solo exhibition at 38 Special in Buitenkant Street at the end of last year where he made tremendous sales. He is also having a solo exhibition at the AVA opening on 18 April 2011. VANSA has assisted Cinga in many other ways, including proof-reading his letter writing, his applications for funding, his exhibition at the AVA and his use of their computer facilities. Below is a copy of a letter he wrote to VANSA at the end of 2010:

"Dear VANSA Western Cape

This is to thank you for your excellent support you gave to my growing career, from the time I did the mentorship programme to the time of my first solo exhibition (2009-2010) it's been a wonderful journey. The amount of care and respect I have been getting from VANSA has been amazing; you have a way of making me feel like a star. It seems like the combination of positive staff members: Hope, she is cute, she is easy to approach, light, friendly but still professional, Cheryl: always understanding, sometime I would push it (ask for assistance at the last minute without any warning, which I always do) Cheryl will always be polite and she has never turned me down (Thank you Cheryl you Rock!!). Peter your team reflects just what kind of a leader you are: willing to listen to suggestions, asking the most amazing questions (what can VANSA do for you?).

Thank you for the support you guys showed at my show on Friday (29 October 2010) - there will be many more to come. Please do the same for others. Young artists always want to know what they are doing is right and you guys are constantly doing that!!

Thank You

Cinga Samson"

Kai Lossgott (www.kailossgott.com) wrote:

"When I turned to art as a serious career option in 2003 due to illness, I had nothing to guide me but the moon. I was a dreamer. Over the years, I floundered around, trying to learn how to be a professional artist. In 2008 I found VANSA Western Cape. I embraced the organisation and its potential and I have been richly rewarded for sticking around.

VANSA has also allowed me to educate myself further on topics for which, when I started

out, there was no written information I could find. In 2009 I was very fortunate to attend the "Professional Practice" workshop, part of VANSA's SPRING SCHOOL, run by Les Cohn from the Johannesburg-based arts consultancy "Artsource". Cohn is on a mission to inject professionalism into the visual arts and enlighten artists on how to succeed in the marketplace. I recommend this workshop to young artists and art students all the time, and those who have gone have always thanked me afterwards.

A workshop at VANSA on how to price your art in the marketplace, with Gordon Massey from the company ArtInsure, was also very helpful. As a young artist, he advised me to drop my prices. It was not what I wanted to hear, but I subsequently began production on a range of more affordable prints, which have sold very well. It was a balance of making strong work and selling it at a level people consider expendable income during the recession. At the recent Design Indaba I made in the region of R40 000 in two days through the sale of these prints. My more ambitious and experimental work has mainly been bought by corporate collections (SASOL, UNISA) and international collectors. It is ironic that my critical reputation rests on the work that has not done as well in terms of sales, but that is the curious nature of the art world. I am glad that I have struggled for so long making difficult work, because I see now how easy it is to be seduced by quick money and give people the recipes you know will work. In the memory banks of history, originality outlives short-term success. I have a long-term view of my career.

There are not and never will be ten easy steps to success as an entrepreneur in the arts. I am now at a level where I have developed sufficient knowledge of the gallery scene to find galleries with a good reputation that are selling my work. It is going really well. I take the work in and it sells the same day. I can regularly employ an assistant, which makes my life a lot easier. I am also receiving phone calls and offers from interior decorators who want to present my work to their clients. None of this would have been possible without ABSA Bank, which sponsored my exhibition at the Design Indaba and allowed me to keep the profit of all the sales without taking commission. This is thanks to a relationship I have nurtured over the years with Cecile Loedolff, the former curator of the ABSA Gallery, and an informal meeting to which I arrived very prepared thanks to the grounding I have had in professional conduct at workshops such as those offered by VANSA.

VANSA has had a huge role to play in my ability to support myself as an artist and make new work, and in helping me refine points of my conduct in the art world. Consequently, I can credit a significant amount of my success to my involvement with VANSA Western Cape.

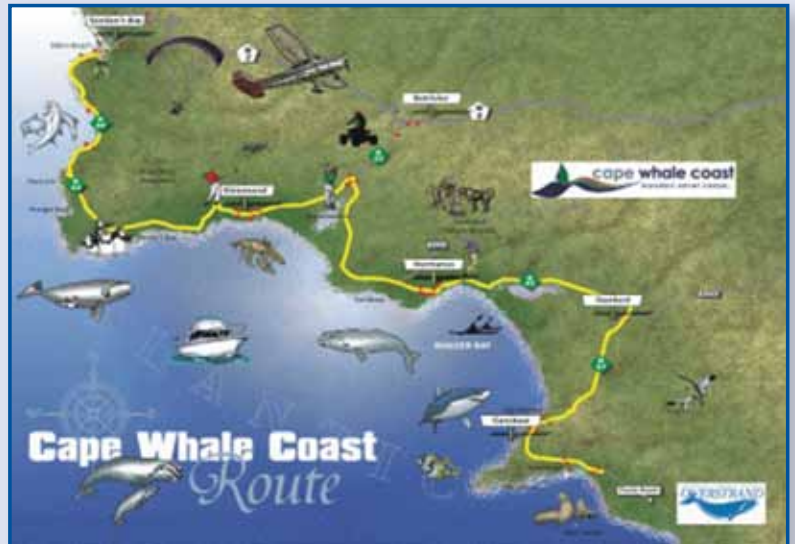
Sincerely,

Kai Lossgott"

Major Success Stories

TOURISM ROAD SIGNAGE

The Tourism Destination Global Competitiveness unit contributed substantially to the development of tourism routes. Two Tourism Road Signage projects to enhance travellers' access to information were completed. Officially launched on 23 March 2011 by the Mayor of the Overstrand Municipality, the Whale Coast tourism road signage route now includes over 40 tourism signs from Gordon's Bay to Pearly Beach in the Overberg District. It boosts tourism icons such as the Agulhas National Park, the Cape Agulhas Wine Route and the Southernmost Tip of Africa.



Launch of the Cape Whale Coast Route

Permission was also granted by the South African National Roads Agency Limited (SANRAL) for the erection of tourism boards at major intersections on the N2, to guide travellers to the Southernmost Tip of Africa. The L'Agulhas project has been identified by the Department, in partnership with SANParks and other key stakeholders, as a major tourism development.



The Cape Namibia tourism road signage route was also completed and is to form the basis of further tourism economic development and growth projects in the West Coast District.

TOURIST GUIDING

Minister Winde conducts inspections into illegal guiding inspections

Minister Alan Winde joined inspectors from the Department to conduct illegal guiding inspections on 18 February 2011. Minister Winde said: "Currently, there is no effective policing system in place to identify illegal tourist guides. This has resulted in a large number of people operating as guides without the required training or authorisation. Illegal guides take work from legal guides, and in some instances, harm the industry by providing a shoddy service."

This initiative took place ahead of International Tourist Guides' Day (which is celebrated worldwide on 21 February every year) to raise awareness about illegal guiding. Illegal guides were issued with warning letters. A database is kept of illegal guides and the inspectors monitor them closely to ensure that they do not continue working, while the Department provides assistance for them to become registered.

Minister Winde concluded: "This inspection was just one of many inspections that the Department conducts. In 2011/12, we will significantly ramp up our efforts to combat illegal guides. We will no longer tolerate a small group of people giving an entire industry, upon which the livelihood of many depends, a bad name."



Minister Alan Winde conducting an inspection at the Lower Cable Station, Table Mountain, with Mr Yuesrey Abrahams, a registered tourist guide.

Job creation and growth high on agenda at the Cape Town and Western Cape Tourism Destination Conference

Stakeholders lauded the 2011 Destination Conference for being insightful and touching on issues imperative to the Western Cape Tourism Industry. They recommended that the conference continue to be held on an annual basis and that its scope and capacity be expanded upon.



Mr Peter Bacon, Chairperson of CTRU Board, Mr Alan Winde, Western Cape Minister of Finance, Economic Development and Tourism, Ms Labeeqah Schuurman, Chief Director: Tourism, Arts and Entertainment, Mr Calvyn Gilfellan, CEO of CTRU and Mr Marthinus van Schalkwyk, National Minister for Tourism at the Cape Town and Western Cape Tourism Destination Conference.

Economic growth and job creation dominated discussion at the Cape Town and Western Cape Tourism Destination Conference, with increased partnerships to promote the competitiveness of the destination.

Economic growth and job creation are key focus areas in national government as well as provincial government. The tourism sector contributes no less than 10% to the Western Cape economy and therefore contributes significantly to economic growth.

According to Marthinus van Schalkwyk, the National Minister of Tourism, the aim is to increase tourism's contribution to the gross domestic product from R190 billion in 2009 to R499 billion by 2020: "This cannot be jobless growth, and we are committed to creating 225 000 new job opportunities by 2020. International tourist arrivals also tell the story of the exceptional growth; having increased from about 528 million in 1995 to 935 million by 2010 ... it is expected to double again to reach nearly 1.6 billion by 2020."

Alan Winde, Western Cape Minister of Finance, Economic Development and Tourism, said that in order for the Western Cape to contribute to the 5 million jobs by 2015 promised by President Jacob Zuma, the tourism sector needs to grow 4-5 times: "Big corporates cannot be expected to grow to that extent. It is up to the small, medium and micro enterprises to reflect such growth, which will result in growth in jobs."

Both Van Schalkwyk and Winde highlighted the need to stimulate growth in the domestic tourist market. Van Schalkwyk referred to the domestic tourist sector as "a mainstay of sustainability". Winde stressed the importance for role players in the region to work together to attract more visitors instead of competing against each other: "We need to come together at platforms like these and work together in order to be more competitive."

Peter Bacon, chairperson of the Cape Town Routes Unlimited Board said: "We need to package our destination and the diversity of attractions and experience more effectively. We need to address the value proposition by differentiating South Africa from other long-haul destinations."

Calvyn Gilfellan, CEO of Cape Town Routes Unlimited, destination marketing organisation for Cape Town and Western Cape, commented: "Cape Town and the Western Cape remain an aspirational destination and the key to partnerships is the repackaging of the destination's offering with input from all role players, including SA Tourism, to remain competitive."

The conference is a platform for the Western Cape tourism industry to engage on relevant topics that could enhance the destination's competitive advantage to contribute towards industry growth.

CRAFT

A whale of a win for FabLab Cape Town

A whale-inspired design has won the most original prize at an international FabLab conference in Amsterdam, 28 September 2010.

The iconic Southern Right whale has inspired three young Cape Town creatives, employed at the Cape Town FabLab, to develop and construct an inspiring design that has outswam the competition at a recent international FabLab conference.

FabLabs are assisted DIY computer-aided design/manufacturing environments, equipped to facilitate the development of ideas into prototypes. The Cape Town FabLab is part of the Creativity, Design and Innovation Programme of the Cape Craft and Design Institute (CCDI) and is located at the CCDI offices in Harrington Street, East City.

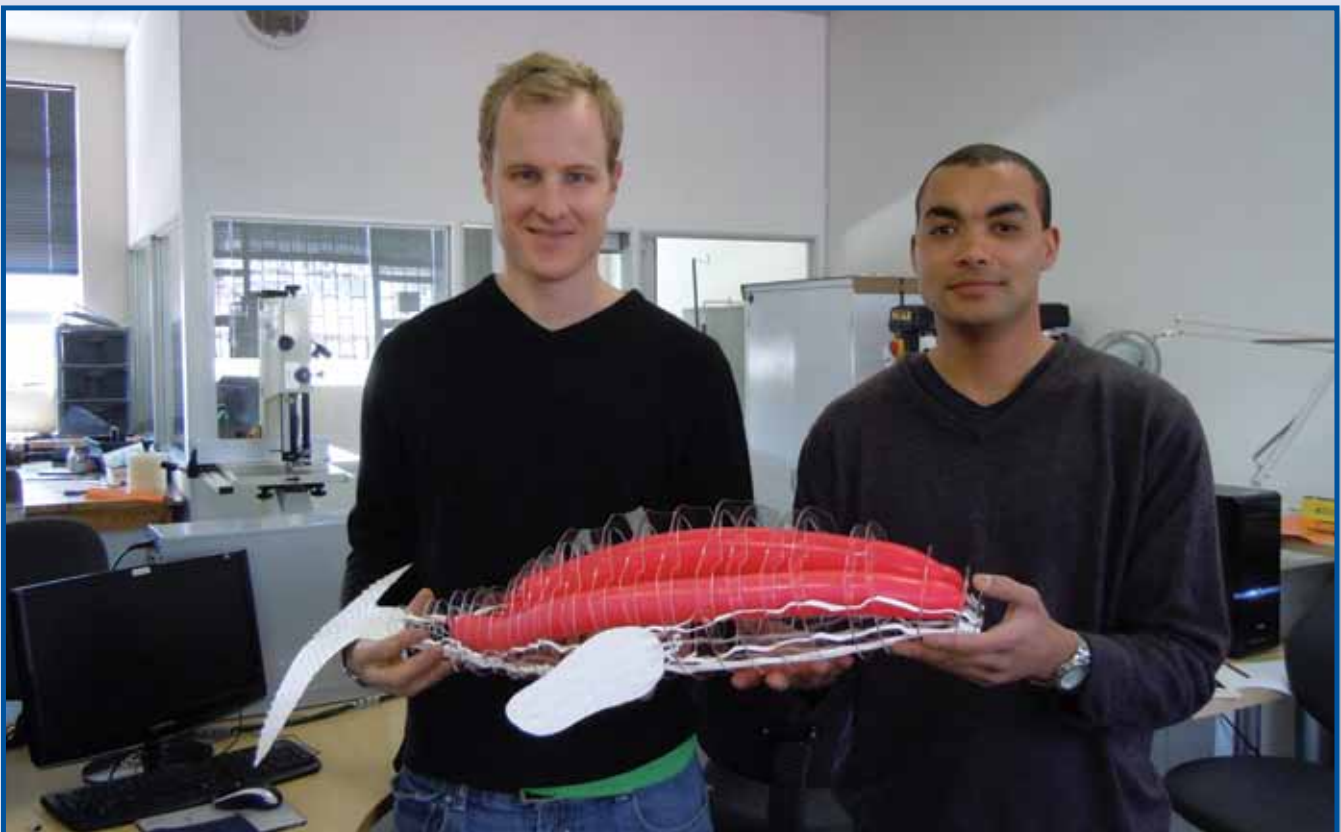
The "Southern Right Vessel" was designed and fabricated by FabLab facilitator Pieter Cilliers, intern David van Staden and part-time intern Ridhaa Rinquest, all working at the CCDI. Their

design was judged the most original at Fab6, the sixth international FabLab conference held recently in Amsterdam.

This year's competition theme was Industrial [r]Evolution, exploring the implications and consequences of digital fabrication for art, business, industry, culture and education. The entry criteria were that the design had to be water-worthy, and had to use at least two FabLab processes in its construction, said Cilliers. The Cape Town model competed against a dozen entries from FabLabs around the world.

The team spent three weeks - between their other FabLab duties - creating the 90 cm long vessel, using the structure of the whale to inform their design and drawing on FabLab facilities to create and assemble it. The vessel's main components were designed on the FabLab computers and then cut from acrylic sheeting on a laser cutter. To allow flexibility and easier transportation, the acrylic pieces were joined using separated strands of box-binding straps. The tail was also woven from this material. In order for the whale to "swim", long balloons were threaded through holes in the vertical pieces and then inflated to the desired length. Multiple balloons were used to ensure stability in the water.

The prize was \$250, which will be used to buy more tools for the FabLab. The FabLab's winning entry was donated to the FabLab Groningen, in the northern Netherlands, where staff has put it on display and will continue developing the concept. A second version has been produced and is on display on the fourth floor of the CCDI.



Pieter Cilliers and David van Staden, with the floatable whale, made in the CCDI FabLab

FILM

Landing international film productions

The creators of the British comic strip, *Judge Dredd*, imagined Mega-City One as a colossal metropolis in the post-apocalyptic near future stretching from Boston to Washington, home to 400 million people living in 200-storey blocks. Baden Powell Drive is a highway linking South Africa's historic wine country and the tin-shack township of Khayelitsha outside Cape Town, with wide verges favoured by prostitutes and goats. Yet here, in four giant hangars by the roadside, a crew and a cast of hundreds are making Dredd, which they hope will be one of next year's biggest action movies. Why here? "There are only a few places in the world that can handle this kind of movie," says Dredd's British co-producer Andrew MacDonald, whose credits include *Trainspotting*, *The Beach* and *The Last King of Scotland*. "South Africa is comparable to any of them."

Versatility and convenience of location - all those landscapes are within a few hours' drive of Cape Town - are keys to South Africa's movie-making appeal. So is cost. By making Dredd in South Africa, where a non-union cast and crew are cheaper than it would be in Europe and the US and the government rebates up to 25% of production costs, MacDonald says he can make "something that will look like \$100 million" for less than half that figure. Dredd co-producer Michael Murphy concurs. "South Africa is in the business of making movies that cost half as much as they look," he says.

Dredd should only enhance that reputation. It is the first movie to be made at the new Cape Town Film Studios, a 17 000 m² complex of four soundstages, offices, set-production warehouses and a cinema on Baden Powell Drive. To give an indication of how up-to-date those facilities are, Dredd will be a rare example of a 3-D action movie, as opposed to the much more common 3-D animation film. MacDonald says that though he imported 40 foreigners, the bulk of the crew was Cape Town's own. Building on that name for quality, Nico Dekker, CEO of Cape Town Film Studios, plans an academy for young African filmmakers and a technical academy on his lot, while across the highway in Khayelitsha, a new animation academy, endorsed by the British creators of *Wallace and Gromit*, enrolled its first 120 students this year.

South Africa's new role as Hollywood's hottest back lot reflects how perceptions of the country and the continent are changing. That new image is even finding its way onscreen. March saw Ryan Reynolds and Denzel Washington wrap up another action movie in Cape Town, *Safe House*. The film, originally slated to be set in Brazil and merely shot in South Africa, was rewritten so Cape Town could finally stop serving as a double and, for once, be cast as itself. Denis Lillie, CEO of the Cape Film Commission, says he expects more of that in the future. Like Los Angeles or New York, Cape Town is a naturally cinematic city, he says. "You have Table Mountain, the sea, the city, and the townships. And it's a very soulful place. A lot of the stars get off the plane, touch the soil of Africa and discover a real connection." Sounds a lot like movie magic.

Service delivery achievement

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 6.1: Management Tourism, Arts and Entertainment					
Strategic Objective (Outcome Indicator)					
1.1	Percentage of stakeholders successfully engaged in the WC, Tourism, Arts & Entertainment Development Partnership	80%	92%		
1.2	Qualitative and quantitative profiles for Tourism, Arts and Entertainment	2	2		
Provincial Performance Indicators (Output Indicators)					
1.1	Number of members engaged in the WC Tourism, Arts & Entertainment Partnership	700	816	The Tourism, Arts and Entertainment Partnership engagements are chaired by the Minister and attendance and participation are always good.	
1.2	Number of Strategic Support interventions for the Tourism, Arts & Entertainment sectors	2 annually updated sector strategies	2		
		2 research papers (baseline)	2		
		2 out-come indicators monitored	2		
Sub-Programme 6.2: Tourism Growth					
Strategic Objective (Outcome Indicator)					
1.1	Percentage of establishments maintaining minimum standards	70%	89%		
1.2	Victim support unit customer satisfaction index	60%		This had to be removed, it was decided before the	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 6.2: Tourism Growth (continued)					
Strategic Objective (Outcome Indicator) (continued)					
				tabling of the APP as finalised with Provincial Treasury that it would be very difficult to report on this outcome indicator.	
1.3	Value of infrastructure investment	-		-	
Provincial Performance Indicators (Output Indicators)					
1.1	Number of infrastructure projects supported	1	1		
1.2	Number of individuals/businesses supported to improve the quality of the destination	1 286	1 932	More tourism quality assurance assessments were conducted in preparation for the World Cup. There was also an increase in the number of Tourism Safety Tips distributed.	
Sub-Programme 6.3: Tourism Participation					
Strategic Objective (Outcome Indicators)					
1.1	Number of jobs facilitated/sustained	-	-		
1.2	Number of businesses established	-	-		
1.3	Number of businesses expanded	-	-		
1.4	Percentage of tourist guides registered	50%	57%		

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 6.3: Tourism Participation (continued)					
Provincial Performance Indicator (Output Indicators)					
1.1	Number of people trained in Tourism	1 294	3 556	The target was exceeded due to increased partnerships with Tourism HRD stakeholders that included additional funds leveraged.	
1.2	Number of new SMMEs developed	3 750	3 650	The Deputy Director post became vacant during the year due to unforeseen circumstances. Also, capacity issues were experienced in the first quarter in terms of Tourism Helpdesk Agents.	Rectification of capacity issues and in-house delivery.
1.3	Number of existing SMMEs supported	1 150	984	The Deputy Director post became vacant during the year due to unforeseen circumstances.	More emphasis will be placed on providing existing tourism businesses with support and ensuring that in-house capacity is addressed for delivery.
1.4	Number of individuals registered / regulated	2 800	2 844	Increase in the number of illegal guiding inspections conducted.	
Sub-Programme 6.4: Destination Marketing Organisation					
Strategic Objectives (Outcome Indicator)					
1.1	Number of international arrivals to the Western Cape	1 646 917	1 501 620	The actual against the target reflects a decline which results from South African Tourism's redefinition of a tourist. SAT started a new series of	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 6.4: Destination Marketing Organisation (continued)					
Strategic Objectives (Outcome Indicator) (continued)					
				quarterly reporting, thus the Destination Performance report deals with tourist arrivals rather than international arrivals. Tourist arrivals exclude day visitors and it should therefore not be confused with international arrivals.	
	Number of international arrivals attributed to the marketing efforts of CTRU	87 287	79 586		
1.2	International Foreign Direct Spend	R21.3 billion	R21.8 billion		
	International Spend attributed to the efforts of CTRU	R1.1 billion	R1.2 billion		
1.3	Number of domestic visitors	4 182 000	3.2 million		
	Number of domestic visitors attributed to the marketing efforts of CTRU	418 200	170 000		
Provincial Performance Indicator (Output Indicators)					
1.1	Number and value of Conference Bids secured	11	17	More opportunities than initially anticipated due to 2010 Marketing Campaign and 2010 FIFA World Cup hosting and delegate boosting activities.	
		R210 million	R283.5 million		
		15 000	22 200		
1.2	Number and value of Joint Marketing Agreements (JMAs) secured	4	12	More opportunities than initially anticipated due to 2010 Marketing Campaign and 2010 FIFA World Cup hosting and delegate boosting activities.	
		R27 million	R54.375 million		

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 6.5: Commercial Arts and Entertainment					
Strategic Objectives (Outcome Indicators)					
1.1	Number of jobs facilitated/sustained	-	-		
1.2	Number of businesses established	-	-		
1.3	Number of businesses expanded	-	-		
1.4	Value of trade and investment	R702.7 million	R1.123 billion		
1.5	Value of funding leveraged	R2 185 000	R16 923 727		
Sector Specific Indicators (Output Indicators)					
1.1	Number of people trained in Craft	420	971	The CCDI embarked on a vigorous programme to increase its rural membership database and provide training to entrepreneurs in rural areas.	
1.2	Number of people trained in Film	430	454	The CFC extended its programme for greater beneficiary throughput and improved its reporting systems.	
1.3	Number of businesses assisted with proactive interventions in Craft	255	509	The CCDI leveraged additional funding that enabled greater beneficiary throughput, especially to rural crafters.	
1.4	Number of businesses assisted with proactive interventions in Film	255	409	The CFC extended its programme for greater beneficiary throughput and improved its reporting systems.	

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 6.5: Commercial Arts and Entertainment (continued)					
Sector Specific Indicators (Output Indicators) (continued)					
1.5	Number of businesses assisted with exports in Craft	197	452	The CCDI leveraged additional funding that enabled greater beneficiary throughput.	
1.6	Number of investment and trade projects realised in Film	92	122	The newly appointed CEO embarked on an extensive international marketing programme.	
Provincial Performance Indicator					
1.1	Number of Craft members	950	2 229	The CCDI expanded its marketing and awareness drive to increase its membership base.	
1.2	Number of Film members	900	1 211	The CFC expanded its marketing and awareness drive to increase its membership base.	
1.3	Number of Music members	800	786	Target could not be verified as Musicians are reluctant to provide their contact details. There are more members on the database than could be verified.	Cape MIC submitted their full membership database for this financial year and the target for the year was met. A meeting was held between the CEO and Chief Director to finalise consistent and standardised reporting templates.

				Actual performance against stated target	
No.	Performance Measure or Indicator	Target	Actual	Reason for major variance	Remedial Action
Sub-Programme 6.5: Commercial Arts and Entertainment (continued)					
Provincial Performance Indicator (continued)					
1.4	Number of Performing Arts members	1 000	2 755	PANSA expanded its marketing and awareness drive to increase its membership base.	
1.5	Number of Visual Arts members	1 000	1 638	VANSA expanded its marketing and awareness drive to increase its membership base.	
1.6	Number of economic sector indicator reports	4	4		

Part Three: Annual Financial Statements

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
ANNUAL REPORT 2010/11

ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM: WESTERN CAPE

For the year ended
31 March 2011

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

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REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011

REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2011.

Audit Committee Members and Attendance

In terms of Cabinet Resolution 55/2007, The Department of Economic Development and Tourism is served by the Economic Cluster Audit Committee. The Audit Committee consists of the members listed below and should meet at least four times per annum as per its approved terms of reference. During the current year six meetings were held.

Name of Member	Number of Meetings Attended
Mr P Jones (Chairperson)	6
Mr Z Hoosain	6
Mr R Kingwill	6
Ms L Hassan	6
Mr K Larkin	4

Apologies were tendered and accepted for meetings not attended. A quorum of members was present at all meetings.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **section 38(1)(a) of the PFMA** and **Treasury Regulation 3.1**. This responsibility does not extend to the Annual Financial Statements of the Western Cape Liquor Board.

The Audit Committee also reports that it has adopted appropriate a formal terms of reference as its Audit Committee Charter approved by Cabinet on 9th February 2011, and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011

The Effectiveness of Internal Control

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by a risk-based Internal Audit Plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective action.

We have reviewed the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa. Other than the matters reflected in the Auditor-General's Audit Report, no material deficiencies in the system of internal control were noted.

- **Legal and Regulatory Compliance**

We have noted the non-compliance with laws and regulations as it pertains to supply chain management. Notwithstanding the differences in legal interpretation of the status of Practice Notes, the committee has encouraged management to implement the Practice Note.

- **Information Technology**

The Audit Committee previously reported on the limited progress that had been made towards implementation of the turnaround strategy to address the IT-related risks facing the Province. We are encouraged by the progress in this regard and continue to monitor progress against agreed actions.

- **The quality of In-Year Management and Quarterly Reports submitted in terms of the PFMA and the Division of Revenue Act**

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

REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011

- **Enterprise Risk Management**

Further progress has been made with the implementation of the Enterprise-Wide Risk Management (ERM) methodology and the identification of the key risks and mitigating controls implemented by the Department. The Audit Committee continued to review progress on a quarterly basis.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's Management Report and management's response thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the Department's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report; and
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's opinion regarding the Annual Financial Statements, and proposes that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

Internal Audit

In the previous year, the Audit Committee reported that the Shared Internal Audit Unit experienced challenges relating to capacity and change management which impacted on its ability to achieve its plan. In the current period, the Audit Committee agreed to a revised coverage plan in the context of limited resources, which was monitored on a quarterly basis.

REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011

The Audit Committee is still concerned that further audit coverage is required and that there is a need for additional capacity to support the increased coverage of risk.

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings emanating from the current regulatory audit will be monitored by the Audit Committee on a quarterly basis.

Appreciation

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



Mr P Jones

Chairperson of the Economic Cluster Audit Committee

Date: 8 August 2011

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011

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

Revenue and expenditure analysis

During the year under review, the Department had an original budget estimate of R241, 478 million. The Department surrendered funding during the Adjustment Estimate process amounting to R3, 934 million. This decrease in funding was largely due to Enterprise Development Fund that was no longer implemented by the Department. This adjustment to the Department's appropriation therefore resulted in an adjusted appropriation of R237, 544 million.

The adjusted allocation of R237, 544 million was divided into six programmes as follows:

Programme	Original Budget R' 000	Adjusted Budget R' 000
Administration	25, 370	23, 986
Integrated Economic Development Services	68, 461	64, 212
Trade and Industry Development	54, 742	55, 941
Business Regulation and Governance	20, 793	18, 543
Economic Planning	9, 887	12, 637
Tourism	62, 225	62, 225
Total	241, 478	237, 544

Funding, as indicated above, was allocated in order to achieve the three key strategic thrusts namely participatory inventions, sector development, fair business environment and two cross-cutting themes namely policy and research development and finally corporate governance.

In terms of our participatory interventions, the department focused on four core areas namely Enterprise Development, Regional and Local Economic Development, Economic Empowerment and Workforce Development. Major interventions in these areas included the shift in enterprise development focus from the provision of support to start-up businesses to that of supporting already existing business. This said, the RED Door initiative was scaled down in the metropole region as a number of organisations already exist in the arena in which the Department operated. To this extent, the Department provided

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2011

added support to these organisations to be able to fully exploit the withdrawal of the department. The RED Door project however was still rolled out in rural areas.

The shift in focus for the RED Initiative however brought about significant improvements in the services rendered by the Department in that the Department could now improve its focus on assisting already established businesses. In implementing the new strategy, the Department embarked on a new vision of creating and improving on linkages with established businesses through engaging more actively with business organisations such as the Cape Chamber of Commerce.

In terms of Rural and Local Enterprise Development, much emphasis has been placed on developing municipal capacity to be able to deliver on their mandate of economic development.

Economic Empowerment aimed to ensure that all empowerment issues are managed in an equitable manner. The focus of this unit is on the empowerment of historically disadvantaged individuals (HDIs) namely black persons, women, youth, the disabled and people living in rural communities. The work of the unit also focused its attentions on supplier development and assisting small businesses in being able to tender for opportunities. To this extent, the unit developed close ties with tertiary institutions such as the University of the Western Cape to roll out a supplier development support programme.

Workforce Development's main aim is to address the major skills gaps within industry. In the key area of Workforce Development, much work has gone into the roll-out of interventions to assist school leavers in gaining the necessary experience in the workplace. This was accomplished through interventions such as the Work and Skills Programme. In this Programme potential employees are provided with concrete workplace skills and partnered with businesses as interns.

The Department's sector development initiatives are focused on three core areas namely trade and investment promotion, sector development and strategic initiatives. The trade and investment functions are outsourced to Wesgro who is responsible for the attraction of foreign investment to the Province as well as assisting firms in improving the export capability. The Sector Development Sub-programme was responsible for the development of various prioritised sectors with a focus on growth, competitiveness and funding recruitment. Sectors prioritised by the department for intervention are Tourism, ICT and BPO, Oil and Gas Supply Industry, Tooling, Metals and Engineering, Commercial Arts, Clothing and Textiles, Boat-building and Agri- and Food Processing. Strategic Sector Support focused on the implementation of numerous cross-cutting themes such as innovation that would stimulate significant leaps in economic growth and unlock wealth and job creation opportunities. A further focus of the Strategic Initiatives unit was to support economic catalytic projects that would provide for the economic infrastructure that is sorely needed to sustain the provincial economy. In this regard, the unit rolled out a number of catalytic interventions such as the East City Design Initiative, the telecoms infrastructure initiative and the initiation of feasibility studies for industrial development zones in Saldanha.

In terms of Fair Business Environment, the core focus was on Business Regulation, Consumer Protection and Liquor Industry Development and Regulation. Business

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011

regulation was newly created in the 2008/09 financial year and focused on addressing legislative barriers to business development. The Office of the Consumer Protector sought to ensure the protection of all consumers in the Western Cape (be they business or private citizens). The Liquor Board in 2009/10 focused its energies on the enactment of the provincial liquor legislation (albeit not successful) and the licensing and inspection of outlets within the Western Cape Province.

Of the R237, 544 million voted to the Department in 2010/11, an amount of R235, 751 million or 99.2% was expended. Of the R235, 751 million expended in 2010/11, Compensation of employees consumed R67, 742 million or 28.7%, spending on Goods and Services amounted to 11.6% or R 27, 334 million, Transfers and subsidies consuming R138, 605 million or 58.8% with expenditure on Capital assets amounting to R2, 040 million or 0.8%.

An amount of R4, 068 million was originally budgeted for revenue for the 2010/11 financial year. This budget was projected to be sourced from the following funding sources:

- Liquor revenue: R3, 798 million
- Sales from goods and services (Tourist guide registration fees): R270 000

As at the end of the reporting period, the Department over-collected on its original budget of R4, 068 million by R3, 203 million or 78,7%. This was due to increased liquor revenue being collected and surplus being paid back to the Department from an implementing agent responsible for enterprise development (Casidra).

2. Service rendered by the Department

2.1 Services rendered by the Department include the registration of Tourist Guides and the issuing of Liquor Licences 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.

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2011

4. Utilisation of donor funds

No Donor funding was received in the 2010/11 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 R15 million was transferred to WESGRO in the 2010/11 financial year. This represents a decrease of 26.2% when compared to the 2009/10 financial year where an amount of R20, 325 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 the Western Cape and Cape Town as a premier tourist destination.

An amount of R38, 205 million was transferred to the DMO in the 2010/11 financial year. This represents a decrease of 16.6% when compared to the 2009/10 financial year where an amount of R45, 811 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.

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2011

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 R7, 299 million was expended by the Western Cape Liquor Board during the execution of its functions in the 2010/11 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, and 1E**, of the Annual Financial Statements.

7. Public private partnerships (PPP)

No PPPs were undertaken in the 2010/11 financial year.

8. Corporate governance arrangements

Governance provides assurance to all stakeholders that resources 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 internalization of sound governance structures will streamline its operations.

By complying with National Treasury's Internal Audit Framework, the Provincial Treasury Government Governance Framework (Western Cape) and 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 III Report.

The financial year 2010/2011 observed the launch of the Provincial Government Western Cape's shared corporate services project. Enterprise risk management was one of the areas impacted upon. Essentially this meant that the responsibility and accountability for effective risk management in departments still resided with the Accounting Officer. The resources however, or more specifically, a dedicated unit for the function was removed from department and housed within the shared corporate services project in the Department of the Premier. Delivery of risk management structures, systems and processes were thus effected through the application of an approved service level agreement where constant and active engagement between the Department and the Department of the Premier: Enterprise Risk Management unit was necessitated.

The department also established a Governance Committee during the year to more robustly drive governance matters, risk management being one of them. The

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2011

composition of the committee was determined with a view to be representative by all programmes as well as inclusive of specific expertise on related matters - risk - in its make-up.

The Department currently shares the centralised Audit Committee and Internal Audit Unit of the Province. In terms of reporting, the progress of all risk assessments conducted is reported to the Departmental Governance Committee, the Shared Audit Committee and Provincial Treasury: Risk Management on a quarterly basis.

The Internal Control Unit is tasked to continuously monitor compliance with prescripts, post-auditing of financial records and audit on performance information in accordance with the Annual Performance Plan. The unit executed the latter process on all Programmes of the Department and for all quarters of 2010/11. This audit affords the line functions credibility by ensuring that their inputs in the Annual Report are valid and may be relied upon by all stakeholders.

Pre- and post-audit meetings with auditees ensures that the reported control deficiencies are adequately addressed to improve the efficiency of processes and systems. The efforts of this unit are directed to any areas of non-compliance and lack of service delivery, consequently delivering an effective and efficient internal control service and environment.

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 processes in the Department. This task is delegated to the unit and is manifested by means of an annual review and update of the document as well as an annual Departmental training intervention coordinated by the unit in their capacity as custodians of the document. This unit was also tasked with identifying any changes in legislation or requirements from external stakeholders on matters of financial and non-financial performance that would affect the departmental activities. These changes were communicated to all line functionaries through a mechanism known as the financial management circular. We found that this tool was reasonably successful as it enables the efficient and effective delivery of services by the department.

9. Discontinued activities/activities to be discontinued

No activities were discontinued during the 2010/11 financial year.

10. New/proposed activities

The Sub-programme: Workforce Development has been alleviated to Programme level during the 2011/12 financial year. This is primarily due to the important role it needs to play in ensuring that the aim of economic development is attained.

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2011

11. Asset management

Monthly updates take place between the financial system and the asset register. All the assets have been added to 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 are 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 events occurred after the reporting date.

13. Performance information

Performance information 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, DOPMS 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 programme Business Regulation and Governance has implemented an additional performance management system known as CMATS to assist them to monitor, evaluate and report on information in the Annual Performance Plan.

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 Audits on Performance Information to verify the actual achievements claimed by management during the quarterly and annual reporting processes.

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

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2011

14. SCOPA resolutions

The SCOPA resolutions for the 2009/10 SCOPA hearings have been completed. The following are the resolutions and responses thereto:

- a) The Department should enter into a Memorandum of Understanding with the Centre for e-Innovation, and ensure that the Centre provides management with service performance reports.

This has been concluded between the Department and the Corporate Services Centre, of which the Centre for e-Innovation forms part.

- b) Regular reviews should be done of user access and logon violations.

The Department in conjunction with the Department of the Premier (Persal System controller) would request and review RACF reports on a quarterly basis.

- c) The Department must implement (a) an information technology risk and control framework, (b) an IT risk register and (c) risk and control assessments.

This has been captured in the Draft Business Continuity Plan. It is expected that the Business Continuity Plan will be completed in partnership with the Centre for e-Innovation and the Department of Community Safety's Security Risk Management by the end of the financial year.

- d) The Committee resolved that Departments adhere to the annual report submission as required by law.

This matter was discussed with the Auditor-General and it was agreed that the Annual Financial Statements, Audit report and Accounting Officer's report will be included as an annexure to the Department's Annual Report.

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. Although SARS still collected revenue on behalf of the Department during the reporting financial year, the Department has completed a liquor revenue reconciliation for amounts allocated to the Basic Accounting System (BAS).

16. Exemptions and deviations received from the National Treasury

No exemption from the Public Finance Management Act or Treasury Regulations or deviation from the financial reporting requirements was received for the current and/or prior financial year.

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011

17. Other

17.1 Financial Statements

The annual financial statements of the public entities, Destination Marketing Organisation (DMO) and Western Cape Investment and Trade Promotion 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 forms part of the provisions disclosure note in accordance with the accounting policy for investments. (See note 12 and 27 to the annual financial statements).

17.3 The Provincial Government of the Western Cape has a shareholding of 25% in Cape Town International Convention Centre Company (Proprietary) Limited.

18. Declaration

Given the general tenor of the findings as regards internal controls and matters associated with non-compliance, the assurance is given that the Department will devise an action plan, approved by the Accounting Officer and its top management and forwarded to the Provincial Treasury, to systematically deal with these so as to prevent a repetition of similar findings during the next audit cycle.

19. Approval

The Annual Financial Statements set out on pages 183 to 260 have been approved by the Accounting Officer.



Solly Fourie

Head of Department

29 July 2011

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON
VOTE NO. 12: WESTERN CAPE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Western Cape Department of Economic Development and Tourism (department), which comprise the appropriation statement, the statement of financial position as at 31 March 2011, and the 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 information, as set out on pages 183 to 239.

Accounting Officer's responsibility for the financial statements

2. The Accounting Officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and in a manner required by Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
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. An audit also includes

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the department as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Material impairment

9. As disclosed in note 27 to the financial statements, the investment of R142 million held by the department in the Cape Town International Convention Centre has been impaired by R468 000 in the current financial year resulting in an accumulated impairment of R116 468 000.

Additional matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unaudited supplementary schedules

11. The supplementary information set out on pages 240 to 260 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011

Financial reporting framework

12. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2) (a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the department.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 17 to 161 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

14. There were no material findings on the annual performance report.

Compliance with laws and regulations

Procurement and contract management

15. Awards were made to suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state as per the requirements of Treasury Regulation 16A8.3 and Practice Note 7 of 2009/10.

Human resource management and compensation

16. Sufficient appropriate audit evidence could not be obtained that the accounting officer ensured that employees do not abuse sick leave as per the requirements of Public Service Regulation (PSR) 1/V/F(c).
17. The accounting officer did not ensure that all leave taken by an employee was recorded accurately and in full as per the requirements of PSR 1/V/F (b).

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011

INTERNAL CONTROL

18. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

19. The accounting officer did not adequately evaluate whether management has implemented effective internal controls to ensure that senior management has met its responsibilities. This is evident by the non-compliance matters identified relating to supply chain management (SCM) regulations.

20. Leadership did not exercise adequate oversight responsibility regarding compliance and related internal controls in respect to the monitoring of sick leave for all employees during the current financial year.

Financial and performance management

21. Management has not adequately ensured that proper guidance is provided to all staff involved in the procurement process to ensure compliance with the SCM regulations, specifically related to the requirements of Treasury Regulation 16A8.3 and Practice Note 7 of 2009/10.

Auditor - General

Cape Town

31 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPROPRIATION STATEMENT

for the year ended 31 March 2011

APPROPRIATION STATEMENT
for the year ended 31 March 2011

APPROPRIATION STATEMENT		Appropriation per programme							2009/10	
		2010/11							Final Appropriation	Actual Expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	R'000	R'000	R'000
1. ADMINISTRATION										
Current payment	23,330	(231)	451	23,550	23,550	-	100%	25,641	25,641	25,641
Transfers and subsidies	216	-	-	216	216	-	100%	250	250	250
Payment for capital assets	440	217	-	657	657	-	100%	744	744	438
Payment for financial assets	-	14	-	14	14	-	100%	-	-	-
2. INTEGRATED ECONOMIC DEVELOPMENT SERVICES										
Current payment	18,007	(1,253)	75	16,829	16,829	-	100%	19,795	19,795	19,794
Transfers and subsidies	46,160	990	-	47,150	47,150	-	100%	61,302	61,302	61,302
Payment for capital assets	45	263	-	308	273	35	88.6%	150	150	24
3. TRADE AND SECTOR DEVELOPMENT										
Current payment	16,291	(1,935)	(314)	14,042	13,657	385	97.3%	12,796	12,796	12,693
Transfers and subsidies	39,625	1,742	-	41,367	41,367	-	100%	42,196	42,196	42,196
Payment for capital assets	25	192	-	217	217	-	100%	162	162	162
Payment for financial assets	-	1	-	1	1	-	100%	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2011

Appropriation per programme										
APPROPRIATION STATEMENT	2010/11					2009/10				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
4. BUSINESS REGULATION AND GOVERNANCE										
Current payment	17,593	(255)	(1,400)	15,938	14,828	1,110	93%	17,383	17,331	
Transfers and subsidies	750	200	-	950	950	-	100%	2,412	2,408	
Payment for capital assets	200	46	-	246	246	-	100%	287	104	
Payment for financial assets	-	9	-	9	9	-	100%	-	-	
5. ECONOMIC PLANNING										
Current payment	12,528	(198)	(577)	11,753	11,492	261	97.8%	10,000	9,646	
Transfers and subsidies	9	-	-	9	9	-	100%	317	317	
Payment for capital assets	100	198	-	298	298	-	100%	100	98	
6. TOURISM, ARTS AND ENTERTAINMENT										
Current payment	16,475	(1,747)	-	14,728	14,726	2	100%	15,953	15,953	
Transfers and subsidies	45,629	1,519	1,765	48,913	48,913	-	100%	54,778	54,778	
Payment for capital assets	121	228	-	349	349	-	100%	200	82	
TOTAL	237,544	-	-	237,544	235,751	1,793	99.2%	264,466	263,217	

APPROPRIATION STATEMENT
for the year ended 31 March 2011

	2010/11		2009/10	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	237,544		264,466	
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	3,202		214	
Actual amounts per statement of financial performance (total revenue)	240,746		264,680	
Actual amounts per statement of financial performance (total expenditure)		235,751		263,217

APPROPRIATION STATEMENT

for the year ended 31 March 2011

APPROPRIATION STATEMENT
for the year ended 31 March 2011

		Appropriation per economic classification						2009/10	
		2010/11						Final Appropriation	Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	R'000	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	70,855	(1,177)	(1,816)	67,862	67,742	120	99.8%	61,090	61,090
Goods and services	33,369	(4,448)	51	28,972	27,334	1,638	94.3%	40,465	39,956
Interest and rent on land	-	6	-	6	6	-	100%	13	13
Transfers and subsidies									
Departmental agencies and accounts	51,355	1,485	1,765	54,605	54,605	-	100%	67,580	67,576
Universities and technicians	144	-	-	144	144	-	100%	818	818
Public corporations and private enterprises	45,750	-	-	45,750	45,750	-	100%	48,900	48,900
Non-profit institutions	34,005	3,050	-	37,055	37,055	-	100%	43,538	43,538
Households	1,135	(84)	-	1,051	1,051	-	100%	419	419
Payments for capital assets									
Machinery and equipment	931	524	-	1,455	1,420	35	97.6%	1,643	907
Software and other intangible assets	-	620	-	620	620	-	100%	-	-
Payments for financial assets									
	-	24	-	24	24	-	100%	-	-
Total	237,544	-	-	237,544	235,751	1,793	99.2%	264,466	263,217

DETAIL PER PROGRAMME 1 - ADMINISTRATION

for the year ended 31 March 2011

DETAIL PER PROGRAMME 1 - ADMINISTRATION
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	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	1,829	18	-	1,847	1,847	-	100%	1,450	1,450
Payment for capital assets	12	33	-	45	45	-	100%	70	70
1.2 FINANCIAL MANAGEMENT									
Current payment	15,843	(411)	451	15,883	15,883	-	100%	13,850	13,850
Transfers and subsidies	-	-	-	-	-	-	-	250	250
Payment for capital assets	414	120	-	534	534	-	100%	546	341
Payment for financial assets	-	14	-	14	14	-	100%	-	-
1.3 CORPORATE SERVICES									
Current payment	5,658	162	-	5,820	5,820	-	100%	10,341	10,341
Transfers and subsidies	216	-	-	216	216	-	100%	-	-
Payment for capital assets	14	64	-	78	78	-	100%	128	27
Total	23,986	-	451	24,437	24,437	-	100%	26,635	26,329

DETAIL PER PROGRAMME 1 - ADMINISTRATION
for the year ended 31 March 2011

DETAIL PER PROGRAMME 1 - ADMINISTRATION
for the year ended 31 March 2011

Economic classification	2010/11						2009/10		
	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	16,983	(148)	-	16,835	16,835	-	100%	18,466	18,466
Goods and services	6,347	(84)	451	6,714	6,714	-	100%	7,175	7,175
Interest and rent on land	-	1	-	1	1	-	100%	-	-
Transfers and subsidies to:									
Departmental agencies and accounts	-	-	-	-	-	-	-	250	250
Households	216	-	-	216	216	-	100%	-	-
Payment for capital assets									
Machinery and equipment	440	138	-	578	578	-	100%	744	438
Software and other intangible assets	-	79	-	79	79	-	100%	-	-
Payments for financial assets									
	-	14	-	14	14	-	100%	-	-
Total	23,986	-	451	24,437	24,437	-	100%	26,635	26,329

DETAIL PER PROGRAMME 2 - INTEGRATED ECONOMIC DEVELOPMENT SERVICES
for the year ended 31 March 2011

DETAIL PER PROGRAMME 2 - INTEGRATED ECONOMIC DEVELOPMENT SERVICES
for the year ended 31 March 2011

Detail per sub-programme	2010/11						2009/10		
	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 ENTERPRISE DEVELOPMENT									
Current payment	6,156	(1,196)	-	4,960	4,960	-	100%	6,452	6,452
Transfers and subsidies	34,000	(4,000)	-	30,000	30,000	-	100%	29,100	29,100
Payment for capital assets	-	63	-	63	63	-	100%	21	-
2.2 REGIONAL AND LOCAL ECONOMIC DEVELOPMENT									
Current payment	3,721	313	40	4,074	4,074	-	100%	3,009	3,008
Transfers and subsidies	930	3,970	-	4,900	4,900	-	100%	8,000	8,000
Payment for capital assets	10	56	-	66	66	-	100%	9	9
2.3 ECONOMIC EMPOWERMENT									
Current payment	3,525	1,055	-	4,580	4,580	-	100%	3,330	3,330
Transfers and subsidies	30	1,020	-	1,050	1,050	-	100%	-	-
Payment for capital assets	21	49	-	70	70	-	100%	50	-
2.4 WORKFORCE DEVELOPMENT									
Current payment	3,354	(1,799)	-	1,555	1,555	-	100%	2,081	2,081
Transfers and subsidies	11,200	-	-	11,200	11,200	-	100%	24,202	24,202
Payment for capital assets	8	28	-	36	36	-	100%	20	7

DETAIL PER PROGRAMME 2 - INTEGRATED ECONOMIC DEVELOPMENT SERVICES
for the year ended 31 March 2011

DETAIL PER PROGRAMME 2 - INTEGRATED ECONOMIC DEVELOPMENT SERVICES
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	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
2.5 MANAGEMENT: INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
Current payment	1,251	374	35	1,660	1,660	-	100%	4,923	4,923
Payment for capital assets	6	67	-	73	38	35	51.2%	50	8
Total	64,212	-	75	64,287	64,252	35	99.9%	81,247	81,120

DETAIL PER PROGRAMME 2 - INTEGRATED ECONOMIC DEVELOPMENT SERVICES
for the year ended 31 March 2011

DETAIL PER PROGRAMME 2 - INTEGRATED ECONOMIC DEVELOPMENT SERVICES
for the year ended 31 March 2011

Economic classification	2010/11						2009/10		
	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	13,008	(157)	-	12,851	12,851	-	100%	12,196	12,196
Goods and services	4,999	(1,098)	75	3,976	3,976	-	100%	7,599	7,598
Interest and rent on land	-	2	-	2	2	-	100%	-	-
Transfers and subsidies to:									
Departmental agencies and accounts	-	-	-	-	-	-	-	1,000	1,000
Public corporations and private enterprises	44,900	-	-	44,900	44,900	-	100%	46,100	46,100
Non-profit institutions	1,200	1,050	-	2,250	2,250	-	100%	14,011	14,011
Households	60	(60)	-	-	-	-	-	191	191
Payment for capital assets									
Machinery and equipment	45	100	-	145	110	35	75.9%	150	24
Software and other intangible assets	-	163	-	163	163	-	100%	-	-
Total	64,212	-	75	64,287	64,252	35	99.9%	81,247	81,120

DETAIL PER PROGRAMME 3 - TRADE AND SECTOR DEVELOPMENT

for the year ended 31 March 2011

DETAIL PER PROGRAMME 3 - TRADE AND SECTOR DEVELOPMENT
for the year ended 31 March 2011

Detail per sub-programme	2010/11						2009/10		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 TRADE AND INVESTMENT PROMOTION									
Transfers and subsidies	15,000	-	-	15,000	15,000	-	100%	16,650	16,650
3.2 SECTOR DEVELOPMENT									
Current payment	9,738	(647)	(242)	8,849	8,652	197	97.8%	6,294	6,294
Transfers and subsidies	23,865	1,000	-	24,865	24,865	-	100%	20,364	20,364
Payment for capital assets	25	66	-	91	91	-	100%	35	35
Payment for financial assets	-	1	-	1	1	-	100%	-	-
3.3 STRATEGIC INITIATIVES									
Current payment	4,880	(1,354)	(35)	3,491	3,303	188	94.6%	2,262	2,262
Transfers and subsidies	700	802	-	1,502	1,502	-	100%	5,182	5,182
Payment for capital assets	-	-	-	-	-	-	-	25	25
3.4 MANAGEMENT: TRADE AND INDUSTRY DEVELOPMENT									
Current payment	1,673	66	(37)	1,702	1,702	-	100%	4,240	4,137
Transfers and subsidies	60	(60)	-	-	-	-	-	-	-
Payment for capital assets	-	126	-	126	126	-	100%	102	102
Total	55,941	-	(314)	55,627	55,242	385	99.3%	55,154	55,051

DETAIL PER PROGRAMME 3 - TRADE AND SECTOR DEVELOPMENT
for the year ended 31 March 2011

DETAIL PER PROGRAMME 3 - TRADE AND SECTOR DEVELOPMENT
for the year ended 31 March 2011

Economic classification	2010/11						2009/10		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	11,361	-	(279)	11,082	10,967	115	99%	8,008	8,008
Goods and services	4,930	(1,936)	(35)	2,959	2,689	270	90.9%	4,788	4,685
Interest and rent on land	-	1	-	1	1	-	100%	-	-
Transfers and subsidies to:									
Departmental agencies and accounts	15,000	-	-	15,000	15,000	-	100%	19,325	19,325
Universities and technikons	-	-	-	-	-	-	-	450	450
Public corporations and private enterprise	-	-	-	-	-	-	-	1,000	1,000
Non-profit institutions	24,560	1,800	-	26,360	26,360	-	100%	21,421	21,421
Households	65	(58)	-	7	7	-	100%	-	-
Payment for capital assets									
Machinery and equipment	25	79	-	104	104	-	100%	162	162
Software and other intangible assets	-	113	-	113	113	-	100%	-	-
Total	55,941	-	(314)	55,627	55,242	385	99.3%	55,154	55,051

DETAIL PER PROGRAMME 4 - BUSINESS REGULATION AND GOVERNANCE
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	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 GOVERNANCE									
Current payment	-	-	-	-	-	-	-	1,069	1,069
Payment for capital assets	-	-	-	-	-	-	-	30	-
4.2 REGULATION SERVICES									
Current payment	214	-	(184)	30	-	30	0%	-	-
4.3 CONSUMER PROTECTION									
Current payment	9,971	(252)	(951)	8,768	8,406	362	95.9%	8,840	8,794
Transfers and subsidies	-	200	-	200	200	-	100%	644	640
Payment for capital assets	60	59	-	119	119	-	100%	120	95
Payment for financial assets	-	9	-	9	9	-	100%	-	-
4.4 LIQUOR REGULATION									
Current payment	7,408	(3)	(265)	7,140	6,422	718	89.9%	7,474	7,468
Transfers and subsidies	750	-	-	750	750	-	100%	1,768	1,768
Payment for capital assets	140	(13)	-	127	127	-	100%	137	9
Total	18,543	-	(1,400)	17,143	16,033	1,110	93.5%	20,082	19,843

DETAIL PER PROGRAMME 4 - BUSINESS REGULATION AND GOVERNANCE
for the year ended 31 March 2011

DETAIL PER PROGRAMME 4 - BUSINESS REGULATION AND GOVERNANCE
for the year ended 31 March 2011

Economic classification	2010/11						2009/10		
	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	11,161	(78)	(960)	10,123	10,118	5	100%	8,277	8,277
Goods and services	6,432	(177)	(440)	5,815	4,710	1,105	81%	9,093	9,042
Interest and rent on land	-	-	-	-	-	-	-	13	13
Transfers and subsidies to:									
Departmental agencies and accounts	-	-	-	-	-	-	-	762	758
Non-profit institutions	750	200	-	950	950	-	100%	1,650	1,650
Payment for capital assets									
Machinery and equipment	200	(39)	-	161	161	-	100%	287	103
Software and other intangible assets	-	85	-	85	85	-	100%	-	-
Payments for financial assets									
	-	9	-	9	9	-	100%	-	-
Total	18,543	-	(1,400)	17,143	16,033	1,110	93.5%	20,082	19,843

DETAIL PER PROGRAMME 5 - ECONOMIC PLANNING

for the year ended 31 March 2011

DETAIL PER PROGRAMME 5 - ECONOMIC PLANNING
for the year ended 31 March 2011

Detail per sub-programme	2010/11						2009/10		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
5.1 POLICY AND PLANNING									
Current payment	760	53	-	813	776	37	95.4%	940	926
Payment for capital assets	10	(4)	-	6	6	-	100%	2	-
5.2 RESEARCH AND DEVELOPMENT									
Current payment	4,315	(139)	-	4,176	4,044	132	96.8%	4,869	4,869
Transfers and subsidies	-	-	-	-	-	-	-	317	317
Payment for capital assets	30	80	-	110	110	-	100%	-	-
5.3 KNOWLEDGE MANAGEMENT									
Current payment	766	254	-	1,020	1,020	-	100%	712	678
Payment for capital assets	10	27	-	37	37	-	100%	98	98
5.4 MONITORING AND EVALUATION									
Current payment	2,582	(90)	-	2,492	2,465	27	98.9%	1,424	1,301
Transfers and subsidies	9	-	-	9	9	-	100%	-	-
Payment for capital assets	40	18	-	58	58	-	100%	-	-

DETAIL PER PROGRAMME 5 - ECONOMIC PLANNING

for the year ended 31 March 2011

DETAIL PER PROGRAMME 5 - ECONOMIC PLANNING
for the year ended 31 March 2011

Detail per sub-programme	2010/11							2009/10	
	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
5.5 MANAGEMENT: ECONOMIC PLANNING									
Current payment	4,105	(276)	(577)	3,252	3,187	65	98%	2,055	1,872
Payment for capital assets	10	77	-	87	87	-	100%	-	-
Total	12,637	-	(577)	12,060	11,799	261	97.8%	10,417	10,061

DETAIL PER PROGRAMME 5 - ECONOMIC PLANNING

for the year ended 31 March 2011

DETAIL PER PROGRAMME 5 - ECONOMIC PLANNING
for the year ended 31 March 2011

Economic classification	2010/11						2009/10		
	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	7,029	(22)	(577)	6,430	6,430	-	100%	4,151	4,151
Goods and services	5,499	(177)	-	5,322	5,061	261	95.1%	5,849	5,495
Interest and rent on land	-	1	-	1	1	-	100%	-	-
Transfers and subsidies to:									
Departmental agencies and accounts	-	-	-	-	-	-	-	300	300
Households	9	-	-	9	9	-	100%	17	17
Payment for capital assets									
Machinery and equipment	100	108	-	208	208	-	100%	100	98
Software and other intangible assets	-	90	-	90	90	-	100%	-	-
Total	12,637	-	(577)	12,060	11,799	261	97.8%	10,417	10,061

DETAIL PER PROGRAMME 6 - TOURISM, ARTS AND ENTERTAINMENT

for the year ended 31 March 2011

DETAIL PER PROGRAMME 6 - TOURISM, ARTS AND ENTERTAINMENT
for the year ended 31 March 2011

Detail per sub-programme	2010/11						2009/10		
	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 MANAGEMENT: TOURISM									
Current payment	2,622	196	-	2,818	2,818	-	100%	3,734	3,734
Transfers and subsidies	-	-	-	-	-	-	-	501	501
Payment for capital assets	36	127	-	163	163	-	100%	65	9
6.2 TOURISM GROWTH									
Current payment	6,414	(1,838)	-	4,576	4,575	1	100%	3,896	3,896
Transfers and subsidies	1,000	150	-	1,150	1,150	-	100%	3,428	3,428
Payment for capital assets	37	27	-	64	64	-	100%	40	35
6.3 TOURISM PARTICIPATION									
Current payment	6,253	(59)	-	6,194	6,193	1	100%	5,999	5,999
Transfers and subsidies	2,029	34	-	2,063	2,063	-	100%	2,050	2,050
Payment for capital assets	29	74	-	103	103	-	100%	45	23
6.4 DESTINATION MARKETING ORGANISATION									
Transfers and subsidies	35,105	1,335	1,765	38,205	38,205	-	100%	43,043	43,043
6.5 COMMERCIAL ARTS AND ENTERTAINMENT									
Current payment	1,186	(46)	-	1,140	1,140	-	100%	2,324	2,324
Transfers and subsidies	7,495	-	-	7,495	7,495	-	100%	5,756	5,756
Payment for capital assets	19	-	-	19	19	-	100%	50	15
Total	62,225	-	1,765	63,990	63,988	2	100%	70,931	70,813

DETAIL PER PROGRAMME 6 - TOURISM, ARTS AND ENTERTAINMENT

for the year ended 31 March 2011

DETAIL PER PROGRAMME 6 - TOURISM, ARTS AND ENTERTAINMENT
for the year ended 31 March 2011

Economic classification	2010/11					2009/10			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	11,313	(772)	-	10,541	10,541	-	100%	9,992	9,992
Goods and services	5,162	(976)	-	4,186	4,184	2	100%	5,961	5,961
Interest and rent on land	-	1	-	1	1	-	100%	-	-
Transfers and subsidies to:									
Departmental agencies and accounts	36,355	1,485	1,765	39,605	39,605	-	100%	45,943	45,943
Universities and technikons	144	-	-	144	144	-	100%	368	368
Public corporations and private enterprises	850	-	-	850	850	-	100%	1,800	1,800
Non-profit institutions	7,495	-	-	7,495	7,495	-	100%	6,456	6,456
Households	785	34	-	819	819	-	100%	211	211
Payment for capital assets									
Machinery and equipment	121	138	-	259	259	-	100%	200	82
Software and other intangible assets	-	90	-	90	90	-	100%	-	-
Total	62,225	-	1,765	63,990	63,988	2	100%	70,931	70,813

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2011

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-E) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000 R'000	Variance as a % of Final Appropriation
ADMINISTRATION	24,437	24,437	-	0%
INTEGRATED ECONOMIC DEVELOPMENT SERVICES	64,287	64,252	35	0%
TRADE AND SECTOR DEVELOPMENT	55,627	55,242	385	1%
BUSINESS REGULATION AND GOVERNANCE	17,143	16,033	1,110	7%
Underspending on goods and services due to moratorium placed on communication				
ECONOMIC PLANNING	12,060	11,799	261	2%
Savings on goods and services due to various efficiencies being realised in project costing				
TOURISM, ARTS AND ENTERTAINMENT	63,990	63,988	2	0%

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2011

4.2 Per Economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Current payments				
Compensation of employees	67,862	67,742	120	0.2%
Goods and services	28,972	27,334	1,638	5.7%
Interest and rent on land	6	6	-	0%
Transfers and subsidies				
Departmental agencies and accounts	54,605	54,605	-	0%
Universities and technikons	144	144	-	0%
Public corporations and private enterprises	45,750	45,750	-	0%
Non-profit institutions	37,055	37,055	-	0%
Households	1,051	1,051	-	0%
Payments for capital assets				
Machinery and equipment	1,455	1,420	35	2.4%
Software and other intangible assets	620	620	-	0%
Payments for financial assets	24	24	-	0%

**Underspending on goods and services due to moratorium placed on communication.
Savings on goods and services due to various efficiencies being realised in project costing**

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2011

PERFORMANCE	Note	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	1	237,544	264,466
Departmental revenue	2	3,202	214
TOTAL REVENUE		240,746	264,680
EXPENDITURE			
Current expenditure			
Compensation of employees	3	67,742	61,090
Goods and services	4	27,334	39,956
Interest and rent on land	5	6	-
Total current expenditure		95,082	101,046
Transfers and subsidies			
Transfers and subsidies	7	138,605	161,251
Total transfers and subsidies		138,605	161,251
Expenditure for capital assets			
Tangible capital assets	8	1,420	907
Software and other intangible assets	8	620	-
Total expenditure for capital assets		2,040	907
Payments for financial assets	6	24	13
TOTAL EXPENDITURE		235,751	263,217
SURPLUS FOR THE YEAR		4,995	1,463
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		1,793	1,249
Departmental revenue	14	3,202	214
SURPLUS FOR THE YEAR		4,995	1,463

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2011

	Note	2010/11	2009/10
		R'000	R'000
POSITION			
ASSETS			
Current assets		2,080	1,393
Cash and cash equivalents	<u>9</u>	1,842	1,191
Prepayments and advances	<u>10</u>	40	-
Receivables	<u>11</u>	198	202
Non-current assets		142,000	142,000
Investments	<u>12</u>	142,000	142,000
TOTAL ASSETS		144,080	143,393
LIABILITIES			
Current liabilities		2,016	1,385
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	1,793	1,249
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	182	30
Bank overdraft	<u>15</u>	41	105
Payables	<u>16</u>	-	1
TOTAL LIABILITIES		2,016	1,385
NET ASSETS		142,064	142,008
Represented by:			
Capitalisation reserve		142,000	142,000
Recoverable revenue		64	8
TOTAL		142,064	142,008

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2011

NET ASSETS	Note	2010/11 R'000	2009/10 R'000
Capitalisation Reserves			
Opening balance		142,000	142,000
Closing balance		<u>142,000</u>	<u>142,000</u>
Recoverable revenue			
Opening balance		8	
Transfers:		56	8
Irrecoverable amounts written off	<u>6.2</u>	1	-
Debts revised		(1)	32
Debts recovered (included in departmental receipts)		(9)	(51)
Debts raised		65	27
Closing balance		64	8
TOTAL		<u>142,064</u>	<u>142,008</u>

CASH FLOW STATEMENT

for the year ended 31 March 2011

CASH FLOW	<i>Note</i>	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		244,814	276,387
Annual appropriated funds received	<u>1.1</u>	237,544	264,466
Departmental revenue received	<u>2</u>	7,270	11,921
Net increase in working capital		(37)	(115)
Surrendered to Revenue Fund		(8,367)	(13,767)
Current payments		(95,082)	(101,046)
Payments for financial assets		(24)	(13)
Transfers and subsidies paid		(138,605)	(161,251)
Net cash flow available from operating activities	<u>17</u>	2,699	195
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(2,040)	(907)
Net cash flows from investing activities		(2,040)	(907)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets		56	8
Net cash flows from financing activities		56	8
Net increase in cash and cash equivalents		715	(704)
Cash and cash equivalents at beginning of period		1,086	1,790
Cash and cash equivalents at end of period	<u>18</u>	1,801	1,086

ACCOUNTING POLICIES
for the year ended 31 March 2011

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 2010.

1. Presentation of the Financial Statements

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.

1.6 Change in Accounting Policies

Change in policies has been accounted retrospectively and comparative figures have been appropriately restated.

ACCOUNTING POLICIES

for the year ended 31 March 2011

2. Revenue

2.1 Appropriated funds

Appropriated funds comprise of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

ACCOUNTING POLICIES
for the year ended 31 March 2011

2.4 Direct Exchequer payments

All direct exchequer payments are recognised 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).

2.5 Aid assistance

Aid assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

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 expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year).

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

ACCOUNTING POLICIES

for the year ended 31 March 2011

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed 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).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post-employment benefit plans in respect of current employees are expensed 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).

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 National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year 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/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5,000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

ACCOUNTING POLICIES
for the year ended 31 March 2011

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 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statement amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 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).

3.6 Unauthorised expenditure

When confirmed 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 derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 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.

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

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 and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments 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 (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

ACCOUNTING POLICIES

for the year ended 31 March 2011

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register 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 movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

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 immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

ACCOUNTING POLICIES
for the year ended 31 March 2011

4.9 Current assets

We have changed our accounting policy in respect of Machinery and Equipment. Where assets with a useful life of less than one year were previously capitalised will now be expensed.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 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.

5.5 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.

5.6 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.

ACCOUNTING POLICIES

for the year ended 31 March 2011

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

5.8 Impairment and other provisions

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

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 recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial

ACCOUNTING POLICIES
for the year ended 31 March 2011

Revenue Fund when the underlining asset is disposed and the related funds are received.

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. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written off.

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 2011

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	Final Appropriation	2010/11 Actual Funds Received	Funds not requested/ not received	2009/10 Appropriation received
	R'000	R'000	R'000	R'000
Administration	24,437	24,437	-	26,635
Integrated Economic Development services	64,287	64,287	-	81,247
Trade and Sector Development	55,627	55,627	-	55,154
Business Regulation and Governance	17,143	17,143	-	20,082
Economic Planning	12,060	12,060	-	10,417
Tourism, Arts and Entertainment	63,990	63,990	-	70,931
Total	<u>237,544</u>	<u>237,544</u>	<u>-</u>	<u>264,466</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

2. Departmental revenue

	Note	2010/11 R'000	2009/10 R'000
Tax revenue		6,427	5,505
Sales of goods and services other than capital assets	2.1	494	358
Interest, dividends and rent on land	2.2	1	11
Transactions in financial assets and liabilities	2.3	348	6,047
Total revenue collected		<u>7,270</u>	<u>11,921</u>
Less: Own revenue included in appropriation	14	<u>4,068</u>	<u>11,707</u>
Departmental revenue collected		<u>3,202</u>	<u>214</u>

2.1 Sales of goods and services other than capital assets

	Note	2010/11 R'000	2009/10 R'000
Sales of goods and services produced by the department	2	494	358
Sales by market establishment		1	-
Administrative fees		448	348
Other sales		45	10
Total		<u>494</u>	<u>358</u>

2.2 Interest, dividends and rent on land

	Note	2010/11 R'000	2009/10 R'000
Interest	2	1	11
Total		<u>1</u>	<u>11</u>

2.3 Transactions in financial assets and liabilities

	Note	2010/11 R'000	2009/10 R'000
Receivables	2	7	40
Other Receipts including Recoverable Revenue		341	6,007
Total		<u>348</u>	<u>6,047</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

3. Compensation of employees

3.1 Salaries and Wages

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Basic salary		46,006	41,405
Performance award		766	786
Service Based		74	218
Compensative/circumstantial		991	1,869
Periodic payments		1,789	1,336
Other non-pensionable allowances		10,255	8,512
Total		<u>59,881</u>	<u>54,126</u>

3.2 Social contributions

	<i>Note</i>	2010/11	2009/10
		R'000	R'000
Employer contributions			
Pension		5,697	5,006
Medical		2,153	1,952
Bargaining council		11	6
Total		<u>7,861</u>	<u>6,964</u>
Total compensation of employees		<u>67,742</u>	<u>61,090</u>
Average number of employees		<u>274</u>	<u>266</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

4. Goods and services

	Note	2010/11 R'000	2009/10 R'000
Administrative fees		223	216
Advertising		646	4,017
Assets less than R5,000	4.1	261	625
Bursaries (employees)		722	616
Catering		610	547
Communication		1,486	2,218
Computer services	4.2	762	492
Consultants, contractors and agency/outsourced services	4.3	11,958	19,620
Entertainment		36	37
Audit cost – external	4.4	2,728	1,680
Inventory	4.5	1,517	1,938
Operating leases		1,127	995
Transport provided as part of the departmental activities		10	2
Travel and subsistence	4.6	2,482	3,233
Venues and facilities		582	606
Training and staff development		1,609	2,004
Other operating expenditure	4.7	575	1,110
Total		27,334	39,956

4.1 Assets less than R5,000

	Note	2010/11 R'000	2009/10 R'000
Tangible assets	4	256	570
Machinery and equipment		256	570
Intangible assets		5	55
Total		261	625

4.2 Computer services

	Note	2010/11 R'000	2009/10 R'000
SITA computer services	4	231	184
External computer service providers		531	308
Total		762	492

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

4.3 Consultants, contractors and agency/outsourced services

	Note 4	2010/11 R'000	2009/10 R'000
Business and advisory services		9,138	15,087
Legal costs		390	69
Contractors		439	2,378
Agency and support/outsourced services		1,991	2,068
Total		11,958	19,620

4.4 Audit cost – External

	Note 4	2010/11 R'000	2009/10 R'000
Regularity audits		2,728	1,680
Total		2,728	1,680

4.5 Inventory

	Note 4	2010/11 R'000	2009/10 R'000
Food and food supplies		31	47
Other consumable materials		73	3
Maintenance material		62	27
Stationery and printing		1,350	1,859
Medical supplies		1	2
Total		1,517	1,938

4.6 Travel and subsistence

	Note 4	2010/11	2009/10
Local		2,150	2,773
Foreign		332	460
Total		2,482	3,233

4.7 Other operating expenditure

	Note 4	2010/11 R'000	2009/10 R'000
Resettlement costs		-	62
Other		575	1,048
Total		575	1,110

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

5. Interest and rent on land

	2010/11 R'000	2009/10 R'000
Interest paid	6	-
Total	6	-

6. Payments for financial assets

	2010/11 R'000	2009/10 R'000
Material losses through criminal conduct	24	13
Theft	6.1 24	13
Total	24	13

6.1 Detail of theft

	2010/11 R'000	2009/10 R'000
Nature of theft		
Stolen Monitor	9	-
Damaged Laptop	14	-
Damaged Hired Vehicle	1	-
Data Projector	-	13
Total	24	13

6.2 Recoverable revenue written off

	2010/11 R'000	2009/10 R'000
Nature of losses		
Crook MND (Bursary)	1	-
Total	1	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

7. Transfers and subsidies

		2010/11 R'000	2009/10 R'000
	<i>Note</i>		
Departmental agencies and accounts	<i>Annex 1A</i>	54,605	67,576
Universities and technikons	<i>Annex 1B</i>	144	818
Public corporations and private enterprises	<i>Annex 1C</i>	45,750	48,900
Non-profit institutions	<i>Annex 1D</i>	37,055	43,538
Households	<i>Annex 1E</i>	1,051	419
Total		<u>138,605</u>	<u>161,251</u>

8. Expenditure for capital assets

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Tangible assets		1,420	907
Machinery and equipment	28	1,420	907
Software and other intangible assets		620	-
Other intangibles	29	620	-
Total		<u>2,040</u>	<u>907</u>

8.1 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	1,420		1,420
Machinery and equipment	1,420	-	1,420
Software and other intangible assets	620		620
Computer software	620	-	620
Total	<u>2,040</u>	<u>-</u>	<u>2,040</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

8.2 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	907	-	907
Machinery and equipment	907	-	907
Total	907	-	907

9. Cash and cash equivalents

	Note	2010/11 R'000	2009/10 R'000
Disbursements		30	5
Cash on hand		10	10
Cash with commercial banks (Local)		1,802	1,176
Total		1,842	1,191

10. Prepayments and advances

	Note	2010/11 R'000	2009/10 R'000
Travel and subsistence		40	-
Total		40	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

11. Receivables

	Note	2010/11			R'000 Total	2009/10
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years		R'000 Total
Claims recoverable	11.1 Annex 3	20	-	-	20	-
Recoverable expenditure	11.2	1	23	24	48	-
Staff debt	11.3	87	33	10	130	80
Other debtors	11.4	-	-	-	-	122
Total		108	56	34	198	202

11.1 Claims recoverable

	Note	2010/11 R'000	2009/10 R'000
Department of Labour	11	20	-
Total		20	-

11.2 Recoverable expenditure (disallowance accounts)

	Note	2010/11 R'000	2009/10 R'000
Disallowance Damages and Losses		45	-
Disallowance Miscellaneous		3	-
Total		48	-

Note: Disallowance accounts previous years classified by SCOA under "Other Debtors"

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

11.3 Staff debt

	Note 11	2010/11 R'000	2009/10 R'000
Debt account		130	80
Total		<u><u>130</u></u>	<u><u>80</u></u>

11.4 Other debtors

	Note 11	2010/11 R'000	2009/10 R'000
Disallowance Damages and Losses		-	68
Disallowance Miscellaneous		-	53
Sal Tax Debt		-	1
Total		<u><u>-</u></u>	<u><u>122</u></u>

12. Investments

	Note	2010/11 R'000	2009/10 R'000
Non-Current Shares and other equity			
Cape Town International Convention Centre		142,000	142,000
Total non-current		<u><u>142,000</u></u>	<u><u>142,000</u></u>

	2010/11 R'000	2009/10 R'000
Analysis of non-current investments		
Opening balance	142,000	142,000
Closing balance	<u><u>142,000</u></u>	<u><u>142,000</u></u>

13. Voted funds to be surrendered to the Revenue Fund

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
Opening balance		1,249	1,611
Transfer from statement of financial performance		1,793	1,249
Paid during the year		<u>(1,249)</u>	<u>(1,611)</u>
Closing balance		<u>1,793</u>	<u>1,249</u>

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2010/11 R'000	2009/10 R'000
Opening balance		30	265
Transfer from Statement of Financial Performance		3,202	214
Own revenue included in appropriation		4,068	11,707
Paid during the year		<u>(7,118)</u>	<u>(12,156)</u>
Closing balance		<u>182</u>	<u>30</u>

15. Bank Overdraft

	Note	2010/11 R'000	2009/10 R'000
Consolidated Paymaster General Account		<u>41</u>	<u>105</u>
Total		<u>41</u>	<u>105</u>

16. Payables – current

	Note	2010/11 Total	2009/10 Total
Clearing accounts	16.1	<u>-</u>	<u>1</u>
Total		<u>-</u>	<u>1</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

16.1 Clearing accounts

	Note 16	2010/11 R'000	2009/10 R'000
Sal Income Tax		-	1
Total		<u>-</u>	<u>1</u>

17. Net cash flow available from operating activities

	Note	2010/11 R'000	2009/10 R'000
Net surplus as per Statement of Financial Performance		4,995	1,463
Add back non-cash/cash movements not deemed operating activities		(2,296)	(1,268)
Decrease in receivables – current		4	(43)
Increase in prepayments and advances		(40)	-
Decrease in payables – current		(1)	(72)
Expenditure on capital assets		2,040	907
Surrenders to Revenue Fund		(8,367)	(13,767)
Own revenue included in appropriation		4,068	11,707
Net cash flow generated by operating activities		<u>2,699</u>	<u>195</u>

18. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2010/11 R'000	2009/10 R'000
Consolidated Paymaster General account		(41)	(105)
Disbursements		30	5
Cash on hand		10	10
Cash with commercial banks (Local)		1,802	1,176
Total		<u>1,801</u>	<u>1,086</u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Liable to			
Nature			
Claims against the department	<i>Annex 3B</i>	125	90
Total		<u>125</u>	<u>90</u>

20. Commitments

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Current expenditure			
Approved and contracted		5,555	3,240
Capital expenditure			
Approved and contracted		16	-
Total Commitments		<u>5,571</u>	<u>3,240</u>

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

21. Accruals

	2010/11 R'000			2009/10 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	884	60	944	430
Capital assets	28	-	28	-
Other	4	-	4	77
Total	916	60	976	507

	Note	2010/11 R'000	2009/10 R'000
Programme 1		407	61
Programme 2		56	92
Programme 3		84	82
Programme 4		281	52
Programme 5		38	128
Programme 6		110	92
Total		976	507

	Note	2010/11 R'000	2009/10 R'000
Confirmed balances with other departments	Annex 4	63	83
Total		63	83

22. Employee benefits

	Note	2010/11 R'000	2009/10 R'000
Leave entitlement		1,450	1,122
Service bonus (Thirteenth cheque)		1,775	1,725
Performance awards		1,145	1,008
Capped leave commitments		640	867
Total		5,010	4,722

NOTE: Included in the leave entitlement is a credit amount of R123 703.50

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

23. Lease commitments

23.1 Operating leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2010/11					
Not later than 1 year	-	-	-	1,143	1,143
Later than 1 year and not later than 5 years	-	-	-	2,733	2,733
Later than five years				526	526
Total lease commitments	-	-	-	4,402	4,402

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2009/10					
Not later than 1 year	-	-	-	869	869
Later than 1 year and not later than 5 years	-	-	-	1,552	1,552
Total lease commitments	-	-	-	2,421	2,421

23.2 Finance leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2010/11					
Not later than 1 year	-	-	-	67	67
Later than 1 year and not later than 5 years	-	-	-	14	14
Total lease commitments	-	-	-	81	81
Less Finance costs	-	-	-	3	3
Total present value of lease liabilities	-	-	-	78	78

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2009/10					
Not later than 1 year	-	-	-	46	46
Later than 1 year and not later than 5 years	-	-	-	1	1
Total lease commitments	-	-	-	47	47
Total present value of lease liabilities	-	-	-	47	47

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

24. Receivables for departmental revenue

	Note	2010/11 R'000	2009/10 R'000
Tax revenue		482	610
Total		482	610

25. Related party transactions

	Note	2010/11 R'000	2009/10 R'000
Payments made			
Goods and services			
GG vehicles Expenditure		1,125	950
Cape Town International Convention Centre		64	
Total		1,189	950

The Department of Economic Development and Tourism makes use of 23 GG vehicles of Government Motor Transport based on daily and kilometre tariffs as approved by the Provincial Treasury. The expenditure incurred by the department in this respect is reflected in Goods and Services above.

The Department acquired the service of Cape Town International Convention Centre for facilitating the National Tourism Service Excellence Motivational seminar of which the expenditure is reflected in Goods and Services.

During the financial year the department received services from the following related parties as indicated below:

- The department occupied a building provided by the Department of Transport and Public Works free of charge.
- The Department of Economic Development and Tourism received corporate services from the Corporate Service Centre of the Department of the Premier in the Western Cape Province in respect of the following services:
 - Information and communication technology
 - Organisational development
 - Provincial training (transversal)
 - Human resource management
 - Enterprise risk management
 - Internal audit
 - Forensic investigations
 - Legal services
 - Corporate communication
- The department has three public entities under its control
 - Wesgro
 - DMO
 - Liquor Board – in-house

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

26. Key management personnel

	No. of Individuals	2010/11 R'000	2009/10 R'000
Officials:			
Level 15 to 16	2	2,122	1,954
Level 14 (incl. CFO if at a lower level)	4	3,542	2,673
Total		5,664	4,627

The Chief Financial Officer and one of the Chief Directors are domestic partners.

27. Impairment and other provisions

	Note	2010/11 R'000	2009/10 R'000
Impairment			
Investments		116,468	116,000
Total		116,468	116,000

28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance R'000	Curr Year Adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	10,864	-	1,328	(1,089)	11,103
Computer equipment	5,313	-	814	(1,045)	5,082
Furniture and office equipment	3,361	-	505	(14)	3,852
Other machinery and equipment	2,190	-	9	(30)	2,169
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	10,864	-	1,328	(1,089)	11,103

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1,420	-	(92)	-	1,328
Computer equipment	814	-	-	-	814
Furniture and office equipment	505	-	-	-	505
Other machinery and equipment	101	-	(92)	-	9
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	1,420	-	(92)	-	1,328

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	1,089	1,089	-
Computer equipment	-	1,045	1,045	-
Furniture and office equipment	-	14	14	-
Other machinery and equipment	-	30	30	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	1,089	1,089	-

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

28.3 Movement for 2009/10

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	9,800	1,498	(434)	10,864
Computer equipment	4,758	899	(344)	5,313
Furniture and office equipment	2,981	470	(90)	3,361
Other machinery and equipment	2,061	129	-	2,190
TOTAL MOVABLE TANGIBLE ASSETS	9,800	1,498	(434)	10,864

28.4 Minor assets

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2011

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening Balance	-	367	-	4,776	-	5,143
Current year adjustments to Prior Yr Balances	-	-	-	(492)	-	(492)
Additions	-	5	-	256	-	261
Disposals	-	-	-	(213)	-	(213)
TOTAL	-	372	-	4,327	-	4,699

As a result of the move towards Generally Accepted Accounting Practice, management has decided to change its Accounting Policy in respect of Machinery and Equipment. Where assets with a useful life of less than one year were previously capitalised will now be expensed. The change in policy has been accounted retrospectively and comparative figures have been appropriately restated.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	517	-	517
Number of minor assets at cost	-	128	-	2,124	-	2,252
TOTAL NUMBER OF MINOR ASSETS	-	128	-	2,641	-	2,769

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets	-	367	-	4,776	-	5,143
TOTAL	-	367	-	4,776	-	5,143

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	66	-	2,892	-	2,958
TOTAL NUMBER OF MINOR ASSETS	-	66	-	2,892	-	2,958

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	101	-	620	-	721
TOTAL INTANGIBLE CAPITAL ASSETS	101	-	620	-	721

29.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	620	-	-	-	620
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	620	-	-	-	620

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

29.2 Movement for 2009/10

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	101	-	-	101
TOTAL INTANGIBLE CAPITAL ASSETS	101	-	-	101

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2009/10
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Destination Marketing Organisation	34,190	-	4,015	38,205	38,205	100%	45,811
WESGRO	15,600	-	(600)	15,000	15,000	100%	20,325
SA National Parks	250	-	1,150	1,400	1,400	100%	250
Provincial Development Council	-	-	-	-	-	-	300
Government Motor Transport	-	-	-	-	-	-	890
	50,040	-	4,565	54,605	54,605		67,576

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 1B
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS**

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2009/10
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Cape Peninsula University of Technology	140	-	4	144	144	-	100%	818
	140	-	4	144	144	-		818

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 1C
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2009/10 Appropriation Act
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000	Current R'000	
Public Corporations									
Transfers									
Casidra (Pty) Ltd	48,500	-	(2,750)	45,750	45,750	100%	-	-	3,500
Council for Science & Indust Res (CSIR)	-	-	-	-	-	-	-	-	44,400
SA Agri Academy	-	-	-	-	-	-	-	-	1,000
TOTAL	48,500	-	(2,750)	45,750	45,750		-	-	48,900

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION				EXPENDITURE		2009/10 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	%	
NON-PROFIT INSTITUTIONS							
Transfers							
Artscape	-	-	-	-	-	-	180
Calling the Cape	450	-	650	4,700	4,700	100%	7,050
Cape Chamber of Commerce	-	-	550	550	550	100%	-
Cape Clothing and Textile	950	-	-	950	950	100%	2,300
Cape Craft and Design Institute	3,400	-	-	3,400	3,400	100%	3,860
Cape Film Commission	2,500	-	600	3,100	3,100	100%	3,201
Cape Information and Technology Initiative (CITI)	3,950	-	350	4,300	4,300	100%	2,700
Cape Music Industry Commission	330	-	225	555	555	100%	2,000
Cape Town Boat-building and Technology Initiative	950	-	-	950	950	100%	2,900
Cape Town Carnival	-	-	-	-	-	-	100
Cape Town Cycle Tour	-	-	-	-	-	-	500
Cape Town Fashion Council	950	-	300	1,250	1,250	100%	1,600
Cape Town Partnership	200	-	1,300	1,500	1,500	100%	300
Clotex	950	-	-	950	950	100%	2,200
Dopstop Association	-	-	-	-	-	-	200
Fasfacts	750	-	-	750	750	100%	1,200
Furntech	-	-	-	-	-	-	950
Industry Assoc for Responsible Alcohol Use (ARA)	-	-	-	-	-	-	250
Learning Cape Initiative	1,200	-	-	1,200	1,200	100%	2,249

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
NADCAO	-	-	200	200	200	100%	-
Performing Arts Network of SA (PANSA)	220	-	-	220	220	100%	200
Shanduka Black Umbrellas	-	-	500	500	500	100%	-
South African Fine Food Association	150	-	(150)	-	-	-	-
South African Oil and Gas Alliance	7,500	-	-	7,500	7,500	100%	6,820
South African Honeybush Tea Association	-	-	260	260	260	100%	150
South African Rooibos Council	-	-	-	-	-	-	150
South Cape College	-	-	-	-	-	-	100
Visual Arts Network of SA (VANSA)	220	-	-	220	220	100%	309
Western Cape Aquaculture Dev	800	-	-	800	800	100%	-
Western Cape Fine Food Initiative	-	-	500	500	500	100%	-
Western Cape Furniture Initiative	750	-	500	1,250	1,250	100%	-
Western Cape Tooling Initiative	950	-	500	1,450	1,450	100%	2,069
Total	30,770	-	6,285	37,055	37,055	100%	43,538

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Abrahams K	-	-	-	-	-	-	4
Adams A	-	-	-	-	-	-	1
Adonis UL	-	-	-	-	-	-	1
Africa J	-	-	-	-	-	-	1
Alexander DF	-	-	-	-	-	-	1
Arnold A	-	-	-	-	-	-	16
Arnold M	-	-	-	-	-	-	3
Asher L	-	-	-	-	-	-	1
Barnard IMN	-	-	-	-	-	-	14
Barths J	-	-	-	-	-	-	4
Beech L	-	-	-	-	-	-	1
Benn M	-	-	-	-	-	-	5
Bok S	-	-	-	-	-	-	3
Brandt M	-	-	-	-	-	-	4
Britz T	-	-	-	-	-	-	4
Burger A	-	-	-	-	-	-	2
Collins M	-	-	-	-	-	-	1
Damons R	-	-	-	-	-	-	1

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Daniels K	-	-	-	-	-	-	1
Davids MS	-	-	-	-	-	-	1
De Koker SA	-	-	-	-	-	-	15
De Wet K	-	-	-	-	-	-	1
Ferndale M	-	-	-	-	-	-	1
Ferreir A	-	-	-	-	-	-	2
Ferreira J	-	-	-	-	-	-	5
Fourie TJ	-	-	-	-	-	-	1
Galant R	-	-	-	-	-	-	6
Galant RG	-	-	-	-	-	-	4
Gerber CJ	-	-	-	-	-	-	4
Harrison K	-	-	-	-	-	-	14
Hayward J	-	-	-	-	-	-	4
Hayward JP	-	-	-	-	-	-	2
Hendricks C	-	-	-	-	-	-	5
Hendricks M	-	-	-	-	-	-	1
Hendricks T	-	-	-	-	-	-	5
Hite R	-	-	-	-	-	-	1
Hopley J	-	-	-	-	-	-	1
Jansen C	-	-	-	-	-	-	5
Jantjie A	-	-	-	-	-	-	20
Joubert G	-	-	-	-	-	-	1
Julias Simani Z	-	-	-	-	-	-	1

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Kannemeyer R	-	-	-	-	-	-	3
Kwali ME	-	-	-	-	-	-	1
Lane A	-	-	-	-	-	-	2
Lang L	-	-	-	-	-	-	1
Laubsher N	-	-	-	-	-	-	1
Lewis OV	-	-	-	-	-	-	8
Links S	-	-	-	-	-	-	5
Lochner M	-	-	-	-	-	-	7
Lotz N	-	-	-	-	-	-	3
Maarman CJ	-	-	-	-	-	-	14
Malan C	-	-	-	-	-	-	1
Malandar B	-	-	-	-	-	-	1
Maqakelane V	-	-	-	-	-	-	1
Meyer T	-	-	-	-	-	-	1
Mosie LM	-	-	-	-	-	-	1
Motsida N	-	-	-	-	-	-	13
Mouton B	-	-	-	-	-	-	2
Muller P	-	-	-	-	-	-	1
Ndwili P	-	-	-	-	-	-	10
Nebulu H	-	-	-	-	-	-	10
Neumann M	-	-	-	-	-	-	5
Ngubo Z	-	-	-	-	-	-	16
Ntlabathi VV	-	-	-	-	-	-	14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Oliphant D	-	-	-	-	-	-	1
Parker N	-	-	-	-	-	-	1
Petersen R	-	-	-	-	-	-	3
Pieterse B	-	-	-	-	-	-	1
Pieterse LB	-	-	-	-	-	-	5
Poole D	-	-	-	-	-	-	1
Pretorius L	-	-	-	-	-	-	1
Raw C	-	-	-	-	-	-	3
Seabome MN	-	-	-	-	-	-	13
Sibango A	-	-	-	-	-	-	15
Stafford E	-	-	-	-	-	-	2
Strydom S	-	-	-	-	-	-	4
Stuurman RM	-	-	-	-	-	-	15
Swiegers H	-	-	-	-	-	-	5
Tyemela B	-	-	-	-	-	-	4
Van Der Lingen M	-	-	-	-	-	-	3
Van Der Merwe J	-	-	-	-	-	-	1
Van Dyk R	-	-	-	-	-	-	5
Van Rensburg E	-	-	-	-	-	-	4
Van Tonder R	-	-	-	-	-	-	5
Van Zyl M	-	-	-	-	-	-	1
Van Zyl MP	-	-	-	-	-	-	2
Wentzel GP	-	-	-	-	-	-	2

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Williams J	-	-	-	-	-	-	14
Williams-Benn V	-	-	-	-	-	-	1
Wilton MG	-	-	-	-	-	-	13
Xaympi J	-	-	-	-	-	-	4
Zwane B	-	-	-	-	-	-	1
Abrahams	-	-	2	2	2	100%	-
Abrahams R	-	-	1	1	1	100%	-
Adams C	-	-	1	1	1	100%	-
Adams F	-	-	15	15	15	100%	-
Adams SM	-	-	16	16	16	100%	-
Adonis N	-	-	1	1	1	100%	-
Alexander DF	-	-	1	1	1	100%	-
Allies T	-	-	1	1	1	100%	-
Andreas L	-	-	1	1	1	100%	-
Andries J	-	-	1	1	1	100%	-
Anelisi Y	-	-	1	1	1	100%	-
Anthony L	-	-	16	16	16	100%	-
Anthony S	-	-	1	1	1	100%	-
Appel B	-	-	1	1	1	100%	-
Baxen K	-	-	1	1	1	100%	-
Beech L	-	-	1	1	1	100%	-
Begezi	-	-	1	1	1	100%	-
Bester HM	-	-	1	1	1	100%	-
Beukes E	-	-	16	16	16	100%	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION					EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Bilala IM	-	-	1	1	1	100%	-	
Borcherds M	-	-	1	1	1	100%	-	
Bordcherds	-	-	16	16	16	100%	-	
Britta Basonco Wa Sonco	-	-	1	1	1	100%	-	
Brown JP	-	-	1	1	1	100%	-	
Bulelwa M	-	-	1	1	1	100%	-	
Burger J	-	-	1	1	1	100%	-	
Burger RF	-	-	1	1	1	100%	-	
Busisiwe M	-	-	1	1	1	100%	-	
Carelse DT	-	-	1	1	1	100%	-	
Cekiso T	-	-	1	1	1	100%	-	
Charles JG	-	-	1	1	1	100%	-	
Chetty C	-	-	16	16	16	100%	-	
Chiripanyanga C	-	-	2	2	2	100%	-	
Cicobisa M	-	-	1	1	1	100%	-	
Cloete M	-	-	1	1	1	100%	-	
Consul E	-	-	1	1	1	100%	-	
Costaz N	-	-	1	1	1	100%	-	
Cummings Z	-	-	1	1	1	100%	-	
Cupido	-	-	1	1	1	100%	-	
Cupido M	-	-	1	1	1	100%	-	
Damonse R	-	-	1	1	1	100%	-	
Daniels K	-	-	1	1	1	100%	-	
Davey C	-	-	16	16	16	100%	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10	
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	R'000
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Dauids M	-	-	1	1	1	100%	-	-
De Wet K	-	-	1	1	1	100%	-	-
Delcarne MC	-	-	16	16	16	100%	-	-
Dick C	-	-	1	1	1	100%	-	-
Diedericks C	-	-	1	1	1	100%	-	-
Dlodlo DS	-	-	1	1	1	100%	-	-
Domingo A	-	-	1	1	1	100%	-	-
Dyantyi	-	-	1	1	1	100%	-	-
Europa HIDE	-	-	16	16	16	100%	-	-
Evertson	-	-	1	1	1	100%	-	-
Faulman PC	-	-	1	1	1	100%	-	-
Felix G	-	-	1	1	1	100%	-	-
Fell MG	-	-	1	1	1	100%	-	-
Ferndale M	-	-	1	1	1	100%	-	-
Filton E	-	-	1	1	1	100%	-	-
Fisher E	-	-	1	1	1	100%	-	-
Fisher LL	-	-	11	11	11	100%	-	-
Fredericks	-	-	1	1	1	100%	-	-
Galant MR	-	-	1	1	1	100%	-	-
Geldenhys M	-	-	1	1	1	100%	-	-
Gqobose Y	-	-	1	1	1	100%	-	-
Gqwabe	-	-	1	1	1	100%	-	-
Gqwashula	-	-	1	1	1	100%	-	-
Greeff T	-	-	1	1	1	100%	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Grobler	-	-	1	1	1	100%	-
Gusana SO	-	-	1	1	1	100%	-
Gzalada B	-	-	1	1	1	100%	-
Halim S	-	-	1	1	1	100%	-
Harris R	-	-	1	1	1	100%	-
Harris R	-	-	1	1	1	100%	-
Harrison K	-	-	16	16	16	100%	-
Hart A	-	-	1	1	1	100%	-
Henkerman A	-	-	1	1	1	100%	-
Hlohla N	-	-	1	1	1	100%	-
Hopley	-	-	1	1	1	100%	-
Immelman	-	-	1	1	1	100%	-
Isaacs R	-	-	1	1	1	100%	-
Isaacs R	-	-	1	1	1	100%	-
Ismail S	-	-	16	16	16	100%	-
Jacobs C	-	-	1	1	1	100%	-
Jacobs C	-	-	1	1	1	100%	-
Jacobs C	-	-	1	1	1	100%	-
Jaga B	-	-	5	5	5	100%	-
Jansen J	-	-	1	1	1	100%	-
Jansen SO	-	-	16	16	16	100%	-
Janjies LC	-	-	16	16	16	100%	-
Julius J	-	-	15	15	15	100%	-
Kabongo	-	-	1	1	1	100%	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Karelse M	-	-	1	1	1	100%	-
Kearns W	-	-	1	1	1	100%	-
Kearns W	-	-	1	1	1	100%	-
Kloppers M	-	-	1	1	1	100%	-
Kok JJ	-	-	16	16	16	100%	-
Krikke T	-	-	1	1	1	100%	-
Lang L	-	-	1	1	1	100%	-
Langdown S	-	-	1	1	1	100%	-
Langemi Q	-	-	1	1	1	100%	-
Lara Z	-	-	1	1	1	100%	-
Lategan E	-	-	16	16	16	100%	-
Lebakeng L	-	-	16	16	16	100%	-
Lewis CL	-	-	16	16	16	100%	-
Lucas MR	-	-	1	1	1	100%	-
Lucas MR	-	-	2	2	2	100%	-
Lukwesa K	-	-	1	1	1	100%	-
Mabhani N	-	-	15	15	15	100%	-
Magwebu S	-	-	16	16	16	100%	-
Main A	-	-	16	16	16	100%	-
Malander B	-	-	1	1	1	100%	-
Manyatsi SZ	-	-	1	1	1	100%	-
Marais K	-	-	1	1	1	100%	-
Marthenuissen S	-	-	1	1	1	100%	-
Mbatha MV	-	-	16	16	16	100%	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Mbomboyi SM	-	-	16	16	16	100%	-
McKinna M	-	-	1	1	1	100%	-
Meyer SJ	-	-	16	16	16	100%	-
Meyer T	-	-	1	1	1	100%	-
Mhlanga N	-	-	1	1	1	100%	-
Mkungela AP	-	-	1	1	1	100%	-
Motieloa N	-	-	16	16	16	100%	-
Naicker MP	-	-	16	16	16	100%	-
Namanyane G	-	-	1	1	1	100%	-
Nambata EL	-	-	1	1	1	100%	-
Neathling F	-	-	1	1	1	100%	-
Neels W	-	-	1	1	1	100%	-
Ngalamulume A	-	-	1	1	1	100%	-
Nobanda PG	-	-	16	16	16	100%	-
Nokhonya NY	-	-	16	16	16	100%	-
Ntlabati VV	-	-	16	16	16	100%	-
Nfozini A	-	-	1	1	1	100%	-
Oosthuizen E	-	-	1	1	1	100%	-
Oosthuizen EF	-	-	16	16	16	100%	-
Panawoolla A	-	-	1	1	1	100%	-
Philander D	-	-	1	1	1	100%	-
Philander D	-	-	1	1	1	100%	-
Philander D	-	-	1	1	1	100%	-
Plaatjies MH	-	-	16	16	16	100%	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION					EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Ponto Z	-	-	7	7	7	100%	-	
Poole D	-	-	1	1	1	100%	-	
Pretorius	-	-	1	1	1	100%	-	
Qolo N	-	-	16	16	16	100%	-	
Rhode AJ	-	-	15	15	15	100%	-	
Riley Z	-	-	1	1	1	100%	-	
Rorwana S	-	-	16	16	16	100%	-	
Rossouw S	-	-	1	1	1	100%	-	
Sadl L	-	-	1	1	1	100%	-	
Shellar A	-	-	1	1	1	100%	-	
Sibango NC	-	-	16	16	16	100%	-	
Skosana ZR	-	-	16	16	16	100%	-	
Slarmie M	-	-	1	1	1	100%	-	
Spocter Q	-	-	1	1	1	100%	-	
Swanepoel JJJ	-	-	16	16	16	100%	-	
Swarts W	-	-	1	1	1	100%	-	
Swarts W	-	-	1	1	1	100%	-	
Thethiwe U	-	-	14	14	14	100%	-	
Thomson	-	-	1	1	1	100%	-	
Tshalisti T	-	-	1	1	1	100%	-	
Tyesi S	-	-	1	1	1	100%	-	
Van Buisbergen S	-	-	1	1	1	100%	-	
Van Der Westhuizen J	-	-	16	16	16	100%	-	
Van Wyk A	-	-	1	1	1	100%	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

HOUSEHOLDS	TRANSFER ALLOCATION					EXPENDITURE		2009/10 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	%		
Van Wyk CJ	-	-	1	1	1	100%	-	
Vlok JR	-	-	1	1	1	100%	-	
Vokozela NS	-	-	1	1	1	100%	-	
Waldeck R	-	-	1	1	1	100%	-	
Wandile T	-	-	1	1	1	100%	-	
Williams F	-	-	16	16	16	100%	-	
Williams R	-	-	1	1	1	100%	-	
Wilson DJ	-	-	1	1	1	100%	-	
Wilton M	-	-	10	10	10	100%	-	
Wright K	-	-	1	1	1	100%	-	
Yon SN	-	-	1	1	1	100%	-	
Zandile M	-	-	1	1	1	100%	-	
Zuba B	-	-	1	1	1	100%	-	
Carelse DT	-	-	9	9	9	100%	-	
Matafin SS	-	-	216	216	216	100%	-	
Madikane Z	-	-	22	22	22	100%	-	
Cape Catalyst Programme	-	-	2	2	2	100%	-	
Total			1,051	1,051	1,051	100%	419	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 2
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011**

Nature of Liability	Opening Balance 1 April 2010	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2011
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Frederick Johannes Bezuidenhout and Hartenbos Vakansievereniging	50	-	-	-	50
Luciaano's Liquor	40	-	(40)	-	-
Manuel Da Costa De Atougia	-	75	-	-	75
TOTAL	90	75	(40)	-	125

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 3
 CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Labour	-	-	20	-	20	-
TOTAL	-	-	20	-	20	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 4
 INTER-GOVERNMENT PAYABLES**

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000	31/03/2011 R'000	31/03/2010 R'000
GOVERNMENT ENTITY						
DEPARTMENTS						
Current						
Government Motor Transport	-	83	-	-	-	83
Department of the Premier	63	-	-	-	63	-
Total	63	83	-	-	63	83

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

**ANNEXURE 6
 INVENTORY**

Inventory	Note	Quantity	2010/11 R'000	Quantity	2009/10 R'000
Opening balance		-	-	-	-
Add: Additions/Purchases – Cash		-	1,517	-	1,938
(Less): Issues		-	(1,517)	-	(1,938)
Closing balance		-	-	-	-

Part Four: Human Resource Management

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
ANNUAL REPORT 2010/11

PART 4: HUMAN RESOURCE MANAGEMENT (OVERSIGHT REPORT)

4.1 SERVICE DELIVERY

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 4.1.1: Main services and service standards provided in terms of the Service Delivery Plan, 1 April 2010 to 31 March 2011

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Quality assurance of tourism products and iconic attractions	<u>Direct beneficiaries:</u> Tourists <u>Indirect beneficiaries:</u> Tourism Industry	<u>Direct beneficiaries:</u> Tourists <u>Indirect beneficiaries:</u> Tourism Industry	a) Safety proactive: 200 establishments supplied with information. b) Safety reactive: 30 people reached (tourism victim support). c) 600 Quality assurance assessments of establishments done (This function was previously outsourced). d) 4 Quality assurance assessments of major icons/attractions/routes done. e) 50 Road Signage industry support processing of general applications (Road Signage applications are dependent on industry demand). The number of applications cannot be predetermined, an estimate is used to project anticipated applications based on baseline figures).	a) Tourism Safety proactive: 484 establishments supplied with information. b) Tourism Safety reactive: 61 tourists in distress were assisted. c) 437 Quality assurance inspections were completed by the QA Inspectorate. d) 4 Quality assurance assessments of major icons/attractions/routes were completed. e) 98 Tourism Road Signage applications processed.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Tourism Human Resource Development	<p><u>Direct beneficiaries:</u> Citizens (students - scholars & current students in the Tourism Industry & current workforce)</p> <p><u>Indirect beneficiaries:</u> Businesses in the Tourism Industry, HEI, FETs and schools</p>	<p><u>Direct beneficiaries:</u> Citizens (students - scholars & current students in the Tourism Industry & current workforce)</p> <p><u>Indirect beneficiaries:</u> Businesses in the Tourism Industry, HEI, FETs and schools</p>	<p>a) 3 skills programmes implemented – 100 beneficiaries of Local internship programme (HEI) – 150 beneficiaries of Local internship programme (FET)</p> <p>b) 4 beneficiaries of International Internship programme.</p>	<p>Through increased partnerships with direct and indirect beneficiaries, the following actual achievements against standards were achieved:</p> <p>a) 142 beneficiaries assisted through the Local Internship Programme (HEI); 152 beneficiaries assisted through Local Internship (FET)</p> <p>b) 4 beneficiaries assisted through International Internship programme.</p>

Table 4.1.2: Consultation arrangements with customers, 1 April 2010 to 31 March 2011

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
<p><u>Quality assurance of tourism products and iconic attractions</u></p> <p>a) Tourism Newsletter</p> <p>b) Bulk SMS</p> <p>c) Bulk e-mails</p> <p>d) One-on-one</p> <p>e) Roadshows</p> <p>f) Jamborees</p> <p>g) Imbizo's</p> <p>h) Tourism events</p> <p>i) Tourism Tiered Support</p> <p>j) Brochures and Pamphlets</p> <p>k) Local newspapers</p> <p>l) Customer satisfaction survey</p>	<p><u>Direct beneficiaries:</u> Tourists</p> <p><u>Indirect beneficiaries:</u> Tourism Industry</p>	<p><u>Direct beneficiaries:</u> Tourists</p> <p><u>Indirect beneficiaries:</u> Tourism Industry</p>	<p>a) Tourism stakeholder circular distributed.</p> <p>b, c) E-mails and telephonic contact to 45 Tourism bureaus as required (represents 445 tourism facilities).</p> <p>d) Conduct individual meetings with Tourism bureaus as required.</p> <p>e) Roadshows and Regional Tourism Liaison Committee (RTLCL) meetings were held.</p> <p>f,g) Not a consultation arrangement required for this service although the Department does participate in Integrated Community Outreach Programmes (Jamborees) and Imbizo's.</p> <p>h,i) Not a consultation arrangement required for this service although Tourism events and Tourism Tiered Support is conducted by Department.</p>

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
			<p>j) Brochures and Pamphlets distributed throughout the Western Cape: Tourism safety tips published in 6 languages. Guides to Tourism road signage with contact details and procedures distributed.</p> <p>k) Local newspapers utilised e.g. prior to festive season (tourism industry)</p> <p>l) Not utilised as consultation arrangement.</p>
<p><u>Tourism Human Resource Development</u></p> <p>a) Tourism Newsletter</p> <p>b) Bulk SMS</p> <p>c) Bulk e-mails</p> <p>d) One-on-one</p> <p>e) Roadshows</p> <p>f) Jamborees</p> <p>g) Imbizo's</p> <p>h) Tourism events</p> <p>i) Tourism Tiered Support</p> <p>j) Brochures and Pamphlets</p> <p>k) Local newspapers</p> <p>l) Customer satisfaction survey</p>	<p><u>Direct beneficiaries:</u> Citizens (students - scholars & current students in the Tourism Industry & current workforce)</p> <p><u>Indirect beneficiaries:</u> Businesses in the Tourism Industry, HEI, FETs and schools</p>	<p><u>Direct beneficiaries:</u> Citizens (students - scholars & current students in the Tourism Industry & current workforce)</p> <p><u>Indirect beneficiaries:</u> Businesses in the Tourism Industry, HEI, FETs and schools</p>	<p>Consultation with customers was achieved through the facilitation of stakeholder engagements between Tourism stakeholders to enhance Tourism Human Resource Development through:</p> <p>a) Tourism Human Resource Development provides input to Departmental newsletter (as required)</p> <p>b) Feasibility of introducing bulk SMS to be undertaken during 2011/12.</p> <p>c) Bulk e-mails</p> <p>d) One-on-ones and group stakeholder engagements.</p> <p>e) Career Roadshows</p> <p>f,g) Information provided to Departmental officials attending Integrated Community Outreach Programmes (Jamborees) and Imbizo's.</p> <p>h,i) Tourism events e.g. career awareness on bursary programmes.</p> <p>j) Brochures and Pamphlets.</p> <p>k) Local newspapers e.g. International internship programme (Voice of the Cape).</p> <p>l) Not utilised as consultation arrangement.</p> <p><u>Additional consultation arrangement:</u></p> <p>m) Government website in terms of Projects.</p>

Table 4.1.3 Service delivery access strategy, 1 April 2010 to 31 March 2011

Access Strategy	Actual achievements
<p><u>Quality assurance of tourism products and iconic attractions</u></p> <ul style="list-style-type: none"> a) 10th Floor Waldorf Building b) Local Tourism Bureaus c) Cape Gateway 	<p><u>Quality assurance of tourism products and iconic attractions</u></p> <p>The services were provided at:</p> <ul style="list-style-type: none"> a) 10th Floor Waldorf Building b) Local Tourism Bureaus c) Cape Gateway <p><u>Additional service delivery access strategy:</u></p> <ul style="list-style-type: none"> d) Regional representatives in two areas (Eden District) and Cape Metropolitan areas.
<p><u>Tourism Human Resource Development</u></p> <ul style="list-style-type: none"> a) 10th Floor Waldorf Building b) Employer Associations, i.e. FEDHASA, etc. c) Academic Institutions d) Cape Gateway e) SETAs (THETA) 	<p><u>Tourism Human Resource Development</u></p> <p>The services were provided at:</p> <ul style="list-style-type: none"> a) 10th Floor Waldorf Building b) Employer Associations, i.e. FEDHASA, etc. c) Academic Institutions d) Cape Gateway e) SETAs (THETA) <p>Actual service delivery access was achieved through direct access to Departmental offices. Stakeholder engagements held with direct and indirect beneficiaries to access Tourism Human Resource Development information.</p>

Table 4.1.4: Service information tool, 1 April 2010 to 31 March 2011

Types of information tool	Actual achievements
<p><u>Quality assurance of tourism products and iconic attractions</u></p> <ul style="list-style-type: none"> a) Newsletter b) Bulk SMS c) Bulk e-mails d) Publications (brochures, pamphlets) e) Exhibitions f) Media g) Annual Report h) Website 	<ul style="list-style-type: none"> a) Tourism stakeholder circular b, c) E-mails and telephonic contact to 45 Tourism bureaus regarding policy, procedures and criteria, etc. (represents 445 tourism facilities). d) Brochures and Pamphlets distributed throughout the Western Cape: Tourism safety tips published in 6 languages. Guides to Tourism road signage with contact details and procedures distributed. e) Roadshows and Regional Tourism Liaison Committee (RTLCL) meetings. f) Local newspapers utilised e.g. prior to festive season (tourism industry). g) Annual Report. h) Cape Gateway website.
Types of information tool	Actual achievements
<p><u>Tourism Human Resource Development</u></p> <ul style="list-style-type: none"> a) Newsletter b) BulkSMS c) Bulk e-mails d) Publications (brochures, pamphlets) e) Exhibitions f) Career Roadshows g) Media h) Annual Report i) Website 	<p>Service information tools were utilised during stakeholder engagements between Tourism stakeholders and roll-out of Tourism Human Resource interventions:</p> <p>The following actual service information tools were utilised:</p> <ul style="list-style-type: none"> a) Tourism Human Resource Development provides input to Departmental newsletter (as required) b) Feasibility of introducing bulk SMS to be undertaken during 2011/12. c) Bulk e-mails d) Brochures and Pamphlets e,f) Exhibitions, Roadshows and Events conducted on e.g. career awareness and bursary application g) Local newspapers e.g. International internship programme (Voice of the Cape). h) Annual Report. i) Cape Gateway

Table 4.1.5: Complaints mechanism, 1 April 2010 to 31 March 2011

Complaints Mechanism	Actual achievements
<p><u>Quality assurance of tourism products and iconic attractions</u></p> <ul style="list-style-type: none"> a) Waldorf Building - Disability Friendly b) Contact with management c) Correspondence d) Client satisfaction survey e) Suggestion box 	<p>This services were provided at:</p> <ul style="list-style-type: none"> a) Waldorf Building – Disability Friendly b) Contact with management c) Correspondence received from Local Tourism Bureaus regarding member establishment. d) Consumer feedback to Tourism Bureau and media reports. e) Suggestion box not in place.
<p><u>Tourism Human Resource Development</u></p> <ul style="list-style-type: none"> a) Waldorf Building - Disability Friendly b) Contact with management c) Correspondence d) Client satisfaction survey e) Suggestion box 	<p>Complaints mechanisms were put in place for direct and indirect beneficiaries, through:</p> <ul style="list-style-type: none"> a) Waldorf Building – Disability Friendly b) Contact with management c) Correspondence d) Client satisfaction survey to be focus in 2011/12. e) Suggestion box not in place.

4.2. EXPENDITURE

Department's budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 4.2.1) and by salary bands (Table 4.2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

Table 4.2.1: Personnel costs by programme, 2010/11

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)	Total Number of Employees
Administration	24 437	16 835	1 162	6 733	68.89	191	88
Integrated Economic Development Services	64 252	12851	459	3 966	20.00	321	40
Trade and Sector Development	55 242	10 967	73	2 703	19.85	323	34
Business Regulation and Governance	16 033	10 119	158	4 713	63.11	225	45
Economic Planning	11 799	6 430	258	5 073	54.50	247	26
Tourism, Arts and Entertainment	63 988	10 541	219	4 202	16.47	257	41
Total	235,751	67,743	2,329	27,390	28.73	247	274

Table 4.2.2: Personnel costs by salary bands, 2010/11

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total Number of Employees
Lower skilled (Levels 1-2)	75	0.1	75	1
Skilled (Levels 3-5)	6 771	9.9	119	57
Highly skilled production (Levels 6-8)	12 923	19	185	70
Highly skilled supervision (Levels 9-12)	34 283	50.3	279	123
Senior management (Levels 13-16)	14 037	20.6	610	23
Total	* 68,089	100	249	** 274

Notes

* The figures in table 4.2.1 are per the Basic Accounting System and the figures in table 4.2.2 are per the PERSAL system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to other Departments. Accordingly there may be differences in total expenditure reflected on these systems.

** The total number of employees includes all employees remunerated during the report year.

The following tables provide a summary per programme (Table 4.2.3) and salary bands (Table 4.2.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 4.2.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2010/11

Programme	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	Housing as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Administration	10 682	15.7	58	0.1	372	0.5	813	1.2
Economic Participation	9 154	13.4	6	-	136	0.2	413	0.6
Business Regulation and Governance	7 316	10.7	-	-	106	-	239	0.4
Strategic Co-ordination	6 803	10	31	-	174	0.1	313	0.5
Industry Development	4 930	7.2	-	-	59	-	108	0.2
Tourism, Art and Entertainment	7 223	10.6	-	-	177	0.3	275	0.4
Total	46,108	67.7	95	0.1	1,024	1.5	2,161	3.2

Salaries per programme as a % of personnel cost



Overtime per programme as a % of personnel cost



Housing Allowance per programme as a % of personnel cost



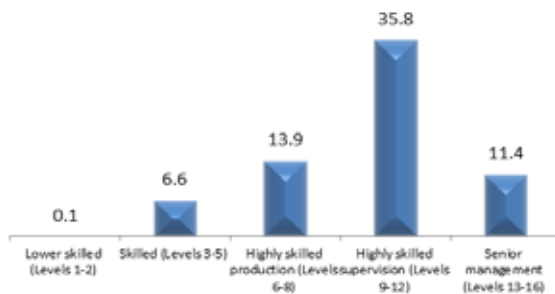
Medical Aid assistance per programme as a % of personnel cost



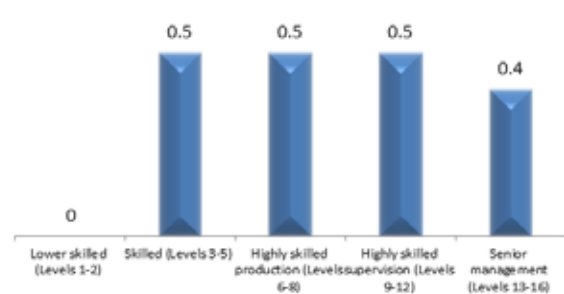
Table 4.2.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary bands, 2010/11

Salary Bands	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	Housing as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	56	0.1	1	-	5	0.01	-	-
Skilled (Levels 3-5)	4 464	6.6	7	-	330	0.5	553	0.8
Highly skilled production (Levels 6-8)	9 438	13.9	58	0.1	373	0.5	786	1.2
Highly skilled supervision (Levels 9-12)	24 403	35.8	29	-	316	0.5	738	1.1
Senior management (Levels 13-16)	7 747	11.4	-	-	242	0.3	84	0.1
Total	46,108	67.7	95	0.1	1,266	1.8	2,161	3.2

Salaries per salary band as a % of personnel cost



Housing allowance per salary band as a % of personnel cost



Medical aid per Salary band as a % of personnel Cost



4.3. 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. This information is presented in terms of three key variables: - programme (Table 4.3.1), salary band (Table 4.3.2) and critical occupations (Table 4.3.3). Departments have identified critical occupations that need to be monitored. Table 4.3.3 provides establishment and vacancy information for the key critical occupations of the Department.

The vacancy rate reflects the percentage of posts that are not filled as per the approved post establishment.

Table 4.3.1: Employment and vacancies by programme, as at 31 March 2011

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Administration	58	49	15.5	-
Economic Participation	46	34	26.1	-
Business Regulation and Governance	35	27	22.9	-
Strategic Coordination	44	34	22.7	-
Industry Development	19	16	15.8	3
Tourism, Art and Entertainment	43	30	30.2	4
Total	245	190	22.4	7

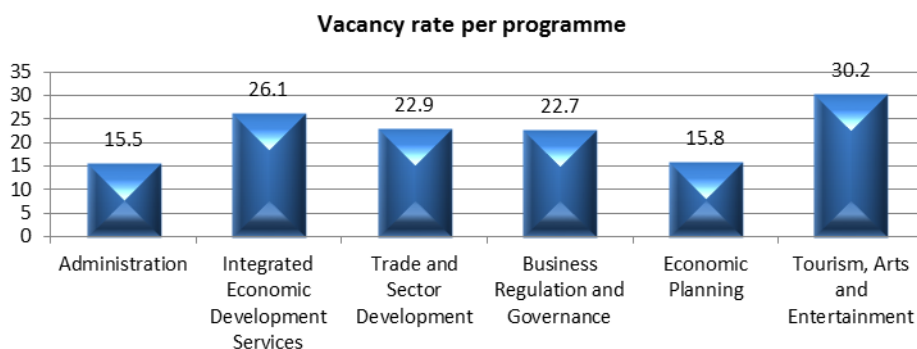


Table 4.3.2: Employment and vacancies by salary bands, as at 31 March 2011

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	2	1	50	-
Skilled (Levels 3-5)	45	38	15.6	3
Highly skilled production (Levels 6-8)	65	51	21.5	1
Highly skilled supervision (Levels 9-12)	114	84	26.3	2
Senior management (Levels 13-16)	19	16	15.8	1
Total	245	190	22.4	7

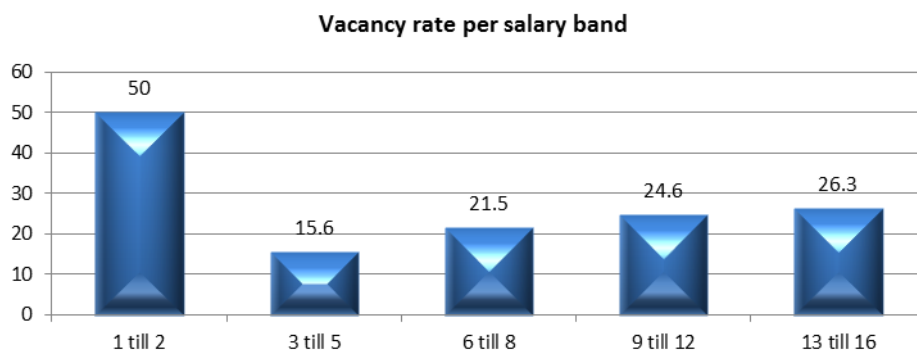


Table 4.3.3: Employment and vacancies by critical occupation, as at 31 March 2011

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
The Department did not register any particular occupations as more critical than others				

4.4. 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.

The following table (Table 4.4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 4.4.1: Job Evaluation, 1 April 2010 to 31 March 2011

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)	2	-	-	-	-	-	-
Skilled (Levels 3-5)	45	2	4.4	-	-	-	-
Highly skilled production (Levels 6-8)	65	2	3.1	-	-	-	-
Highly skilled supervision (Levels 9-12)	114	3	2.6	-	-	-	-
Senior Management Service Band A	14	-	-	-	-	-	-
Senior Management Service Band B	4	-	-	-	-	-	-
Senior Management Service Band C	1	-	-	-	-	-	-
Senior Management Service Band D	-	-	-	-	-	-	-
Total	245	7	2.9	-	-	-	-

Note: The majority of posts were job evaluated in previous years and Job Evaluation results are still applicable.

Table 4.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2010 to 31 March 2011

Total profile of employees whose salaries were upgraded as a result of job evaluation in 2010/ 2011	None
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Table 4.4.3: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)

Total profile of employees whose salaries exceeded the grades determined by job evaluation in 2010/ 2011	None
---	------

4.5. EMPLOYMENT CHANGES

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 4.5.1) and by critical occupations (Table 4.5.2).

Table 4.5.1: Annual turnover rates by salary band, 1 April 2010 to 31 March 2011

Salary Band	Number of employees per band as at 1 April 2010	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	-	2	-	1	-	-
Skilled (Levels 3-5)	51	5	-	2	12	27.5
Highly skilled production (Levels 6-8)	59	3	2	1	8	15.3
Highly skilled supervision (Levels 9-12)	78	19	2	8	7	19.2
Senior Management (Service Band A)	9	1	-	-	1	11.1
Senior Management (Service Band B)	4	-	-	-	-	-
Senior Management (Service Band C)	1	1	-	-	-	-
Senior Management (Service Band D)	-	-	-	-	-	-
Total	202	31	4	12	28	19.8

Turnover rate by salary level

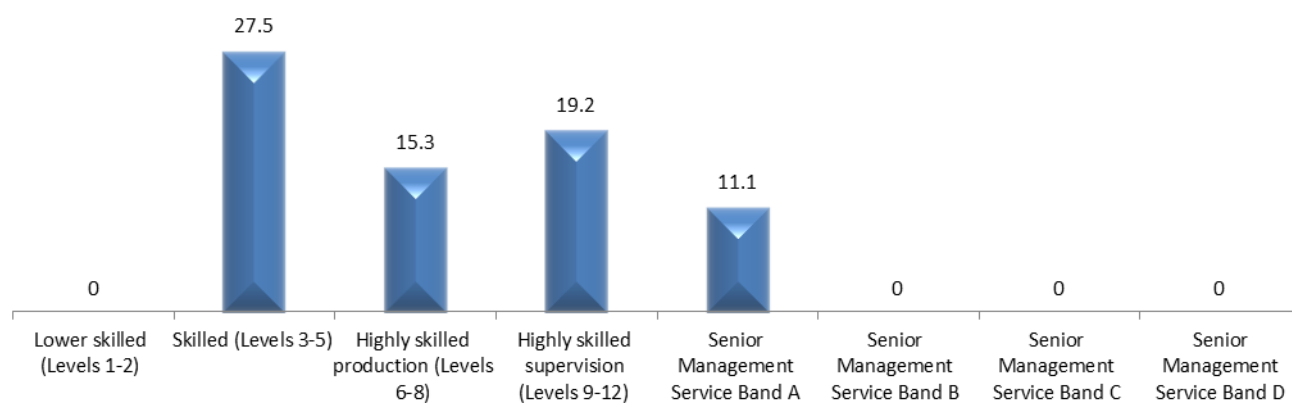


Table 4.5.2: Annual turnover rates by critical occupation, 1 April 2010 to 31 March 2011

Critical Occupation	Number of employees per band as at 1 April 2010	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate
The Department did not register any particular occupations as more critical than others						

Table 4.5.3: Reasons why staff are leaving the employ of the Department, 1 April 2010 to 31 March 2011

Termination Type	Number	% of total terminations
Death	1	2.5
Resignation	3	7.5
Expiry of contract	6	15
Dismissal – operational changes	-	-
Dismissal – misconduct	1	2.5
Dismissal – inefficiency	-	-
Discharged due to ill health	1	2.5
Retirement	-	-
Transfers to other Public Service Departments	28	70
Other (Please specify)	-	-
Total	40	100
Total number of employees who left as a % of the total employment		19.8%

Note: Transfers as a result of corporatisation and subsequent migration of HR staff to the Department of the Premier.

Reasons why staff are leaving the employ of the Department

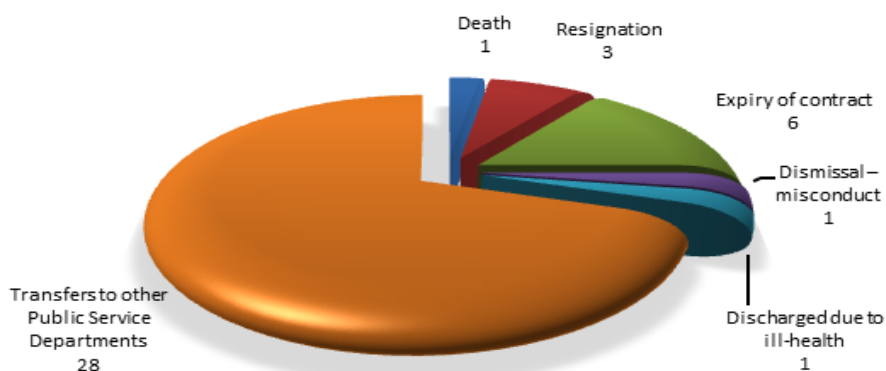


Table 4.5.4: Granting of employee-initiated severance packages by salary band, 1 April 2010 to 31 March 2011

Total Number of employee-initiated severance packages in 2010/ 2011	None
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**Table 4.5.5: Reasons why staff are resigning from the Public Service,
1 April 2010 to 31 March 2011**

Resignation Reasons	Number	% of total resignations
Better remuneration	3	100
Total	3	100

**Table 4.5.6: Different age groups of staff who resigned from the Public Service,
1 April 2010 to 31 March 2011**

Age group	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	-	-
Ages 25 to 29	1	33.3
Ages 30 to 34	-	-
Ages 35 to 39	2	67
Ages 40 to 44	-	-
Ages 45 to 49	-	-
Ages 50 to 54	-	-
Ages 55 to 59	-	-
Ages 60 to 64	-	-
Ages 65 >	-	-
Total	3	100

Different age groups who resigned from the public service

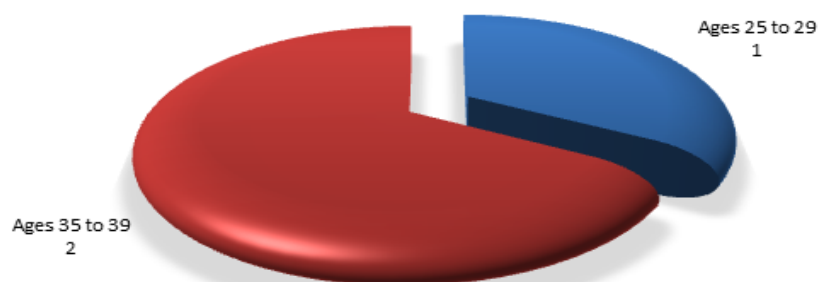


Table 4.5.7: Promotions by salary band, 1 April 2010 to 31 March 2011

Salary Band	Employees as at 1 April 2010	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	OSDs	OSDs as a % of Employee Salary Band
Lower skilled (Levels 1-2)	-	-	-	-	-	-	-
Skilled (Levels 3-5)	51	-	-	30	58.8	-	-
Highly skilled production (Levels 6-8)	59	1	1.7	49	83.1	-	-
Highly skilled supervision (Levels 9-12)	78	7	9	58	74.4	-	-
Senior management (Levels 13-16)	14	2	14.3	11	78.6	-	-
Total	202	10	5	148	73.3	-	-

Table 4.5.8: Promotions by critical occupation, 1 April 2010 to 31 March 2011

Critical Occupation	Employees as at 1 April 2010	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
The Department did not register any particular occupations as more critical than others					

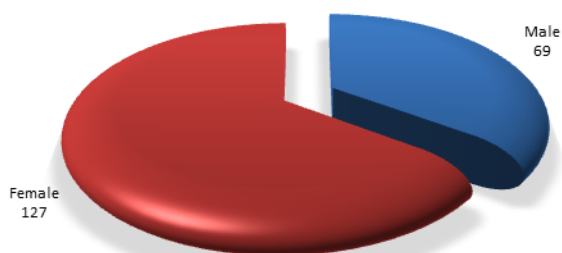
4.6. EMPLOYMENT EQUITY

The following table provides a summary of the total workforce profile per occupational levels. Temporary employees provide the total of workers employed for three consecutive months or less. The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 4.6.1: Total number of employees (including employees with disabilities) in each of the following occupational bands, as at 31 March 2011

Occupational Levels	Male				Female				Foreign Nationals		Total	
	A	C	I	W	A	C	I	W	Male	Female		
Top management (Levels 15-16)	-	2	-	-	-	-	-	-	-	-	-	2
Senior management (Level 13-14)	3	4	-	1	2	4	1	-	-	-	-	15
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	5	24	1	5	8	30	3	9	1	-	-	86
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	7	10	-	-	12	19	-	4	-	-	-	52
Semi-skilled and discretionary decision making (Levels 3-5)	2	3	1	-	13	19	-	3	-	-	-	41
Unskilled and defined decision making (Levels 1-2)	-	1	-	-	-	-	-	-	-	-	-	1
Total	17	44	2	6	35	72	4	16	1	-	-	197
Temporary employees	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	17	44	2	6	35	72	4	16	1	-	-	197

Employees by gender



Employees by race

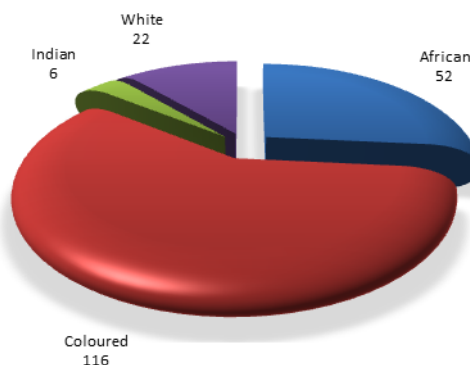


Table 4.6.2: Total number of employees with disabilities in each of the following occupational bands, as at 31 March 2011

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

Table 4.6.3: Recruitment, 1 April 2010 to 31 March 2011

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	1	-	-	-	-	-	-	-	-	1
Senior management (Level 13-14)	-	1	-	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	-	7	-	-	1	7	-	4	-	-	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	1	-	-	-	2	-	-	-	-	3
Semi-skilled and discretionary decision making (Levels 3-5)	1	-	-	-	1	-	-	3	-	-	5
Unskilled and defined decision making (Levels 1-2)	-	2	-	-	-	-	-	-	-	-	2
Total	1	12	-	-	2	9	-	7	-	-	31
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	1	12	-	-	2	9	-	7	-	-	31

Recruitment by gender



Recruitment by race

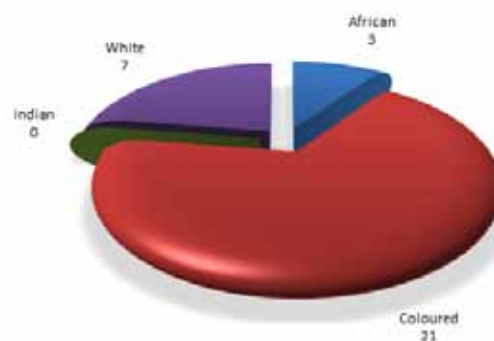


Table 4.6.4: Promotions, 1 April 2010 to 31 March 2011

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

Promotions by gender



Promotions by race

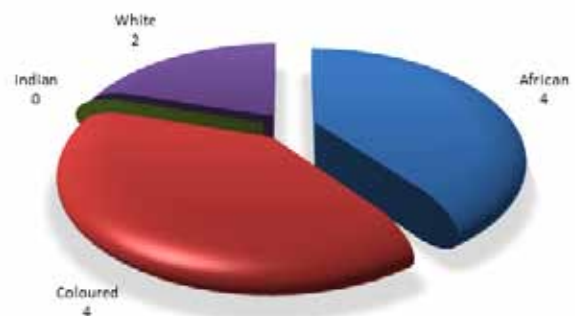
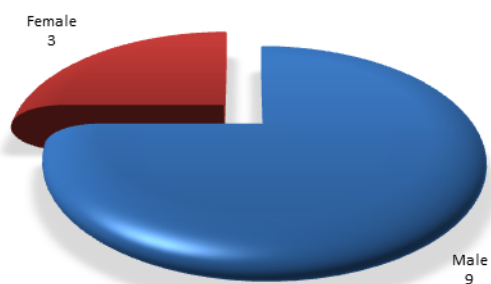


Table 4.6.5: Terminations, 1 April 2010 to 31 March 2011

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

Terminations by gender



Terminations by race

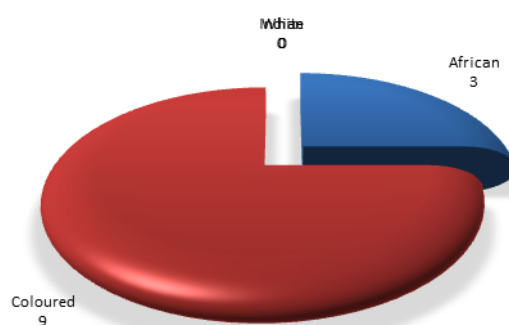


Table 4.6.6: Disciplinary actions, 1 April 2010 to 31 March 2011

Disciplinary Actions Total	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	1	1	-	-	-	-	-	-	-	-	

Table 4.6.7: Skills development, 1 April 2010 to 31 March 2011

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	-	1	-	-	-	-	-	-	1
Senior management (Level 13-14)	3	1	-	-	-	2	1	-	7
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	3	16	-	1	4	18	2	5	49
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	3	10	-	-	9	10	-	1	33
Semi-skilled and discretionary decision making (Levels 3-5)	-	2	1	-	7	10	-	2	22
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-
Total	9	30	1	1	20	40	3	8	112
Temporary employees	-	-	-	-	-	-	-	-	-
Grand Total	9	30	1	1	20	40	3	8	112

4.7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 4.7.1: Signing of Performance Agreements by SMS Members, as at 30 September 2010

SMS Level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level	Number of SMS who received Performance Bonuses
Director-General/ Head of Department	1	1	1	100	-
Salary level 16, but not HOD	-	-	-	-	-
Salary Level 15	-	-	-	-	-
Salary Level 14	4	4	4	100	3
Salary Level 13	14	9	9	100	1
Total	19	14	14	100	4

Table 4.7.2: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements before 30 September 2010

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
No disciplinary steps required, as all SMS Performance Agreements were signed before 30 September 2010.

Table 4.7.3: Reasons for not having concluded Performance Agreements with all SMS members on 30 September 2010

Reason for not concluding Performance Agreements
No disciplinary steps required, as all SMS Performance Agreements were signed before 30 September 2010.

4.8. FILLING OF SMS POSTS

Table 4.8.1: SMS posts information, as at 31 March 2011

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/ Head of Department	1	1	100	-	-
Salary Level 15	-	-	-	-	-
Salary Level 14	4	4	100	-	-
Salary Level 13	14	11	78.8	3	21.4
Total	19	16	84.2	3	15.9

Table 4.8.2: SMS posts information, as at 30 September 2010

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/ Head of Department	1	1	100	-	-
Salary Level 15	-	-	-	-	-
Salary Level 14	4	4	100	-	-
Salary Level 13	14	9	64.3	5	35.7
Total	19	14	73.7	5	26.3

Table 4.8.3: Advertising and filing of SMS posts, as at 31 March 2011

SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised within 6 Months of becoming Vacant	Number of Vacancies per Level Filled within 6 Months after becoming Vacant	Number of Vacancies per Level not Filled in 6 Months but Filled in 12 Months
Director-General/ Head of Department	1	1	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	5	2	-
Total	6	3	-

Table 4.8.4: Reasons for not having complied with the filling of funded vacant SMS posts – Advertised within 6 months and filled within 12 months of becoming vacant

SMS Level	Reasons for non-compliance
Director-General/ Head of Department	<i>Not applicable</i>
Salary Level 15	
Salary Level 14	
Salary Level 13	<p>Three posts are still vacant, namely Directors: Commercial Arts and Entertainment, Resource Beneficiation and the post of Chairperson of the Liquor Board.</p> <p>The posts of Commercial Arts and Resource Beneficiation have been advertised and re-advertised without success. Pending the outcome of the investigation on the possible establishment of the Economic Development Agency, it was decided not to fill these posts.</p> <p>The proclamation of the Western Cape Liquor Act and the subsequent investigation into the establishment of a Public Entity, it was decided not to fill the post of Chairperson of the Board, and to appoint the Director: Liquor Regulation as the acting chairperson as an interim arrangement.</p>

Table 4.8.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Disciplinary steps taken
No steps required.

4.9. PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards allocated to personnel for the performance period 2009/10, but paid in the financial year 2010/11. The information is presented in terms of race, gender, and disability (Table 4.9.1), salary bands (table 4.9.2) and critical occupations (Table 4.9.3).

Table 4.9.1: Performance Rewards by race, gender, and disability, 1 April 2010 to 31 March 2011

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	3	62	4.8	83	R 27 666
Male	3	23	13.0	83	R 27 666
Female	0	39	-	-	-
Coloured	17	109	15.6	517	R 30 412
Male	8	42	19.0	166	R 20 750
Female	9	67	13.4	351	R 39 000
Indian	-	5	-	-	R 0.00
Male	-	2	-	-	-
Female	-	3	-	-	-
White	5	21	23.8	110	R 22 000
Male	2	6	33.3	52	R 26 000
Female	3	15	30	58	R 19 333
Employees with a disability	-	5	-	-	-
Total	25	202	12.4	710	R 28 400

Performance rewards as a distribution of total staff

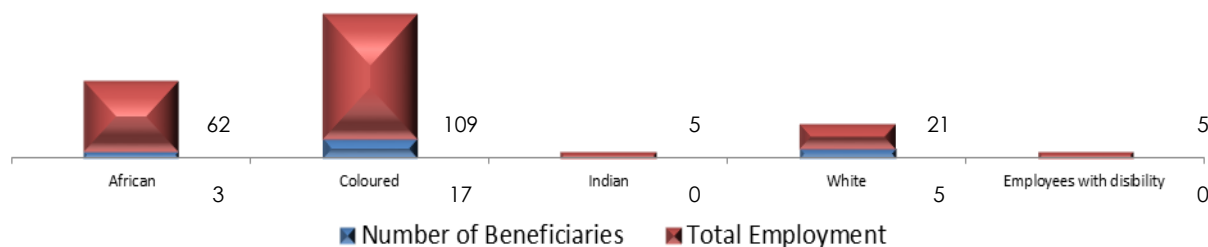


Table 4.9.2: Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2010 to 31 March 2011

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)	-	-	-	-	-	-
Skilled (Levels 3-5)	2	51	3.9	19	R 9 274	0.03
Highly skilled production (Levels 6-8)	8	59	13.6	120	R14 971	0.18
Highly skilled supervision (Levels 9-12)	11	78	14.1	310	R28 172	0.45
Total	21	188	26.3	449	R21 343	0.66

Table 4.9.3: Performance Rewards by critical occupations, 1 April 2010 to 31 March 2011

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
The Department did not register any particular occupations as more critical than others					

Table 4.9.4: Performance-related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2010 to 31 March 2011

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
Band A	1	9	11.1	49	R 49 413	0.07
Band B	3	4	75.0	212	R 70 920	0.31
Band C	-	1	-	-	-	-
Band D	-	-	-	-	-	-
Total	4	14	28.6	261	R 65 543	0.38

4.10. 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 4.10.1: Foreign Workers by salary band, 1 April 2010 to 31 March 2011

Salary Band	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	1	100	1	100	-	-
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	1	100	1	100	-	-

Table 4.10.2: Foreign Workers by major occupation, 1 April 2010 to 31 March 2011

Major Occupation	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% change
Professionally Qualified	1	100	1	100	-	-
TOTAL	1	100	1	100	-	-

4.11. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2010 TO 31 DECEMBER 2010

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 4.11.1) and disability leave (Table 4.11.2). In both cases, the estimated cost of the leave is also provided.

Table 4.11.1: Sick leave, 1 January 2010 to 31 December 2010

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)	9	22.2	1	100	9	2
Skilled (Levels 3-5)	577	85.3	50	100	12	210
Highly skilled production (Levels 6-8)	560	83.9	55	100	10	368
Highly skilled supervision (Levels 9-12)	473	75.9	67	77.0	7	528
Senior management (Levels 13-16)	59	76.3	13	76.5	5	96
Total	1 678	81.5	186	92.5	9	1 204

Sick leave leave as a % per salary level

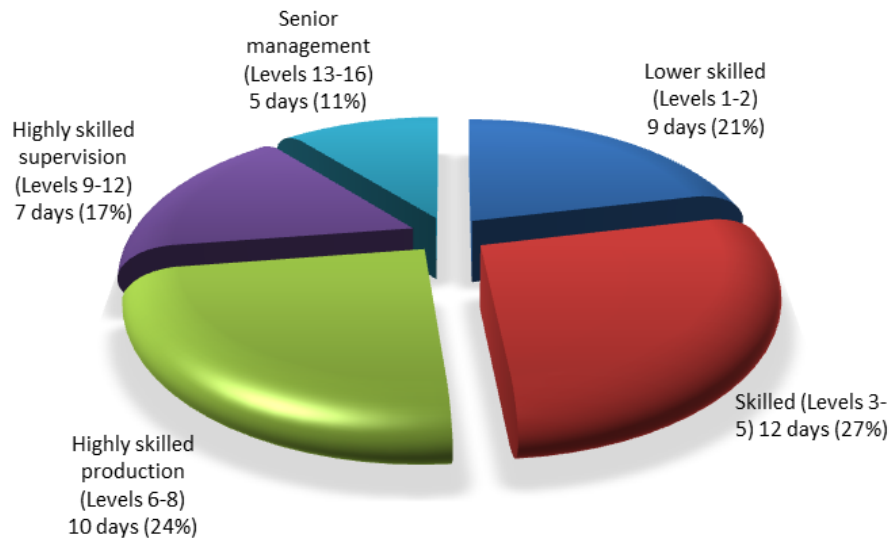


Table 4.11.2: Incapacity leave (temporary and permanent), 1 January 2010 to 31 December 2010

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)	-	-	-	-	-	-
Skilled (Levels 3-5)	131	100	1	33.3	131	48
Highly skilled production (Levels 6-8)	95	100	1	33.3	95	64
Highly skilled supervision (Levels 9-12)	15	100	1	33.3	15	23
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	241	100	3	100	80	135

Table 4.11.3: Annual Leave, 1 January 2010 to 31 December 2010

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	18	18
Skilled (Levels 3-5)	1 013	19
Highly skilled production (Levels 6-8)	1 167	19
Highly skilled supervision (Levels 9-12)	1 641	18
Senior management (Levels 13-16)	336	19
Total	4 175	18

Table 4.11.4: Capped leave, 1 January 2010 to 31 December 2011

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010	No of employees as at 31 December 2010	Total capped leave available as at 31 December 2010
Lower skilled (Levels 1-2)	-	-	-	1	0
Skilled (Levels 3-5)	-	-	8	43	15.1
Highly skilled production (Levels 6-8)	4	0.6	8	53	58.5
Highly skilled supervision (Levels 9-12)	4	0.2	23	87	462.8
Senior management (Levels 13-16)	-	-	6	17	17.1
Total	8	0.3	17	201	554

The following table summarises payments made to employees as a result of leave that was not taken.

Table 4.11.5: Leave payouts, 1 April 2010 to 31 March 2011

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payouts for 2010/11 due to non-utilisation of leave for the previous cycle	4	1	R 4 223
Capped leave payouts on termination of service for 2010/11	216	1	R 216 315
Current leave payouts on termination of service for 2010/11	55	3	R 18 362
Total	275	5	R 47 780

4.12. HIV AND AIDS & HEALTH PROMOTION PROGRAMMES

Table 4.12.1: Steps taken to reduce the risk of occupational exposure, 1 April 2010 to 31 March 2011

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<p>The Corporate Services Centre within the Department of the Premier provides a transversal employee Health and Wellness Programme for 11 Departments within the PGWC. The programme is aimed at all employees, since all staff members are deemed to be at risk. The nature of the work within the Department does not place employees at risk of contracting HIV.</p>	<ul style="list-style-type: none"> • A transversal Health & Wellness Programme was implemented • General HIV Counselling and Testing (HCT) and Awareness Campaigns were delivered • The outsourced Health and Wellness contract (EAP) was implemented. This provided access to counselling for all staff

Table 4.12.2: Details of Health Promotion and HIV and AIDS Programmes, 1 April 2010 to 31 March 2011

Question	Yes	No	Details, if yes
<p>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.</p>	✓		<p>Prior to modernisation the designated SMS Member for this department was Ms E Olivier.</p> <p>Post-modernisation (August 2010) – Due to the corporatisation of the Employee Health and Wellness function, the role of the above individual has shifted to the Corporate Services Centre (CSC).</p> <p>Mr Pieter Kemp, Director: Organisational Behaviour within the CSC is now the responsible SMS member.</p>
<p>2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and wellbeing 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>	✓		<p>The Department is a member of the 11 Departments who are serviced transversally by the Corporate Service Centre. As such, it contains a designated Employee Health and Wellness unit as a sub-directorate within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development that serves as a transversal and dedicated unit to promote the health and wellbeing of employees of the 11 participating departments.</p> <p>The unit consists of a Deputy Director, 3 Assistant Directors and 4 team members and reports to the Director Organisation Behaviour.</p> <p>Budget : R2 426 000</p>

Question	Yes	No	Details, if yes
<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>	✓		<p>Prior to modernisation the Department reviewed its integrated Employee Wellbeing Programme (EWP). This included the outsourced EWP, with ICAS as Service Provider.</p> <p>The EAP contract was extended with ICAS for the rest of the 2010/11 Financial Year. A new transversal Wellness Contract (EAP) is being contracted for the next 3 years.</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>Prior to modernisation, the Departmental HIV and AIDS committee was established in terms of the Public Service Regulations VI E. The committee consisted of representatives across all occupational categories inclusive of gender, persons living with disabilities, designated and non-designated groupings. The role of the committee is to implement the provisions contained in the aforementioned regulations, which is the implementation and monitoring of the HIV and AIDS policy and workplace programmes that focus on promoting non-discrimination and equality. The committee met on a quarterly basis but was re-established as the Employee Health and Wellness Committee, which had the same structure as mentioned above. Post-modernisation the PEAP committee consists of HIV and AIDS Workplace Coordinators from the Departments of Health and Education and the Department of the Premier representing all the other provincial departments. NGOs appointed to provide the HCT service also form part of the committee.</p> <p>Funding for NGOs to provide the HCT service is provided by the Department of Health's Directorate: HIV/AIDS/STI/TB (HAST). District HAST Coordinators therefore also form part of the PEAP Committee.</p> <p>For 2010/11 the HCT service providers were LifeLine (Metropole), Right to Care (Overberg and Central Karoo), At Heart (Cape Winelands), Diakonale Dienste (West Coast) and That's It (Eden). Please note that service providers may change on an annual basis dependent on the funding application outcomes.</p> <p>In addition, after modernisation, a new Health and Wellness Steering Committee has been established.</p> <p>This Department's Committee members are: Mr P Martin and Ms C Julies</p>

Question	Yes	No	Details, if yes
<p>5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>		<p>✓</p>	<p>The review of employment policies and practices was not required during the reporting period. The Department implements national policies and prescripts pertaining to the employment of all personnel. These policies make provision for fair employment practices; and do not discriminate against employees who are HIV-positive.</p> <p>Further to this, the Transversal HIV and AIDS Policy and Programme were adopted by the Coordinating Chamber of the PSCBC for the Western Cape Province on 13 April 2005. This provincial policy provides a blueprint for non-discriminatory practices and attitudes in the workplace.</p> <p>At the same time, DPSA presented workshops requesting that provinces align to the four functional pillars contained in the DPSA Employee Health and Wellness Strategic Framework. In view of this, Readiness Assessments were conducted.</p> <p>After modernisation a new transversal Employee Health and Wellness policy has been drafted, which is in the process of being consulted and ratified.</p> <p>In addition the Transversal Management Framework for Employee Assistance Programmes in the Western Cape Provincial Government is in effect and was adopted by the Coordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p>

Question	Yes	No	Details, if yes
<p>6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.</p>	✓		<p>The Department reviewed its integrated Employee Well-being Programmes (EWP) in the 2009/10 financial year, which included the outsourced EWP (Point 4 refers) and the service elements were included for the 2010/11 financial year. Other key elements that address anti-HIV and AIDS discrimination issues were: Awareness Programmes like display of posters, distributing pamphlets, awareness campaigns and condom promotion.</p> <p>The Department utilised an outsourced Employee Well-being Programme (EWP) model and has utilised the services of ICAS, who was procured to manage the programme. The following EH&WP services are offered to employees and their family members:</p> <ul style="list-style-type: none"> • A comprehensive needs analysis and behavioural risk management audit. • 24hr multilingual, toll-free psychological counselling. • Face-to-face counselling sessions. • An HIV and AIDS consultancy service. • Toll-free Life Management service offering information and assistance on legal problems, financial concerns, healthcare and family matters. • Comprehensive trauma response service. • Access to comprehensive online health care programme. • Training, knowledge transfer and skills development on EWP referral systems and protocols and Employee Wellbeing related issues for in-house Wellbeing functionaries, employee representatives and managers. • Managerial consultancy and referral options supporting managers in their existing relations with employees and providing them with professional help in effectively handling new or difficult people management issues. • Quarterly and annual reports on all key utilisation aspects of the EWP. • A dedicated Account Manager to coordinate the programme and ensure that the ICAS group programme is appropriately managed at all times. • A comprehensive online EWP service. <p>The above approach was perpetuated post-modernisation.</p>

Question	Yes	No	Details, if yes
<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>Pre- and post-modernisation, employees have been referred to local clinics or to use their general practitioner if their request falls outside of the Departmental VCT (HCT) programme. During HCT campaigns, employees are also provided with wallet-sized cards (pre-modernisation only) containing all the relevant numbers for referral, including the Employee Assistance Programme toll-free number.</p> <p>Lifeline and At Heart have been contracted to render VCT (HCT) services for the department. They also assist in HIV/AIDS awareness training; promotion and provision of HIV counselling and testing and employee support by way of continuous post-test counselling.</p> <p>Wellness EH&WP Toll-Free Number: 0800 864 417</p> <p>ICAS: 0800 611 064</p> <p>HIV Testing and Screening Staff members attended pre-counselling and testing sessions. No HIV-positive results.</p> <p>TB SCREENING Staff attended testing sessions for tuberculosis. No staff tested positive for TB.</p> <p>General Wellness interventions also included diabetes, hypertension and STI screening.</p>

Question	Yes	No	Details, if yes
<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>The impact of health promotion programmes is indicated through information provided via the Employee Health and Wellness Contract (external EAP service provider).</p> <p>The EHWP is monitored via Quarterly and Annual reporting. This reporting is provided by the External Service Provider. The most recent Annual review period is 1 April 2010 – 31 March 2011. Annual reports have been provided for 6 (ICAS) Departments and an overview of all 6 Departments has been compiled in one presentation.</p> <p>The quarterly and annual review provides:</p> <p>A breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, number of cases etc.</p> <ul style="list-style-type: none"> • Service utilisation • Problem profiling and trending • Assessment of employee and organisational risk and the impact thereof on the individual functioning in the workplace • Assessment of Formal referrals and the underlying reasons impacting on employee performance and productivity • Assessment of Organisational Issues presented by Employees using the EWHP • Assessment of High-risk cases <p>Programme evaluation via the External Service Provider include the following:</p> <ul style="list-style-type: none"> • Formal referral evaluation process impact (Outcomes assessment) (The results of this process will only be available towards the first week of June 2011). Formal referral cases are selected for this process and employees called as well as referring managers to assess the impact of the intervention. <p>The external service provider provides a Return on Investment (ROI) indicator</p>

4.13. LABOUR RELATIONS

Table 4.13.1: Collective agreements, 1 April 2010 to 31 March 2011

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 4.13.2: Misconduct and disciplinary hearings finalised, 1 April 2010 to 31 March 2011

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	1	50
Final written warning	-	-
Suspension without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal/ desertion	1	50
Not guilty	-	-
Case withdrawn	-	-
Total	2	100

Table 4.13.3: Types of misconduct addressed at disciplinary hearings, 1 April 2010 to 31 March 2011

Type of misconduct	Number	% of total
Absent from work without reason or permission	1	50
Malicious damage to property	1	50
Total	2	100

Table 4.13.4: Grievances lodged, 1 April 2010 to 31 March 2011

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

Table 4.13.5: Disputes lodged with Councils, 1 April 2010 to 31 March 2011

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

Table 4.13.6: Strike actions, 1 April 2010 to 31 March 2011

Strike actions	Number
Total number of Strike actions	None

Table 4.13.7: Precautionary suspensions, 1 April 2010 to 31 March 2011

Precautionary suspensions	Number
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	110
Cost (R'000) of suspensions	37

4.14. SKILLS DEVELOPMENT

This section highlights the efforts of the Department with regard to skills development. The tables reflect the training needs as at the beginning of the period under review, and the actual training provided.

Table 4.14.1: Training needs identified, 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	-	6	-	6
	Male	8	-	-	-	-
Professionals	Female	2	-	-	-	-
	Male	2	-	-	-	-
Technicians and associate professionals	Female	108	-	102	-	102
	Male	57	-	65	-	65
Clerks	Female	12	-	201	-	201
	Male	6	-	95	-	95
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	1	-	-	-	-
Elementary occupations	Female	-	-	4	-	4
	Male	-	-	-	-	-
Sub-total	Female	128	-	313	-	313
	Male	74	-	160	-	160
Total		202	-	473	-	473
Employees with disabilities	Female	4	-	3	-	3
	Male	1	-	1	-	1

Note: The above table identifies training interventions identified at the beginning of the reporting period under review.

Table 4.14.2: Training provided, 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 31 March 2011	Training provided within the reporting period			
			Leaverships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	-	3	-	3
	Male	10	-	14	-	14
Professionals	Female	-	-	-	-	-
	Male	1	-	-	-	-
Technicians and associate professionals	Female	108	-	52	-	52
	Male	54	-	57	-	57
Clerks	Female	12	-	52	-	52
	Male	5	-	26	-	26
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	3	1	4
	Male	-	-	-	-	-
Sub-total	Female	127	-	110	1	111
	Male	70	-	97	-	97
Total		197	-	207	1	208
Employees with disabilities	Female	3	-	3	-	3
	Male	1	-	5	-	5

Note: The above table identifies training interventions provided during the reporting period under review.

4.15. INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 4.15.1: Injury on duty, 1 April 2010 to 31 March 2011

Nature of injury on duty	Number	% of total
Total number of injuries on duty		None

4.16. UTILISATION OF CONSULTANTS

Table 4.16.1: Report on consultant appointments using appropriated funds, 1 April 2010 to 31 March 2011

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Tourist guide training	Not indicated	25 June 2010-30 Sept 2011	R 189 675
Tourist guide training: Adventure site guides	1	15 Nov 2010-28 Jan 2011	R 120 840
Tourist guide training: Voice and Pronunciation course	1	2 July 2010-10 Dec 2010	R 109 440
Ubuntu International Internships	Not indicated	13 July 2010-15 Sept 2010	R 181 378
Inspection - illegal guides	Not indicated	28 July 2010-04 Mar 2011	R 69 000
Tourist guide training	1	2 July 2010-30 Sept 2010	R 120 840
Tourist guide training: Voice and Pronunciation course	1	13 July 2010-10 Dec 2010	R 109 440
Tourism Intermediate Training 201	6	15 Nov 2010-18 Mar 2011	R 150 000
Legacy Mentorship Programme - Database creation	3	July - August 2010	R 59 000
Municipal Capacity Building	2	Oct 2010-15 Dec 2010	R 112 500
Supplier Development Programme - Pacaltsdorp	1	Nov 2010 -28 Feb 2011	R 79 230
Supplier Development Programme - Mitchell's Plain	4	Jan 201 -28 Mar 2011	R 472 188
Legacy Mentorship Programme	1	Feb-Mar 2011	R 55 000
Participation Project	2	Feb-18 Mar 2011	R 75 200
LED Strategies	2	Jan 2011- 04 Mar 2011	R 119 700
Supplier Development Programme - UWC	2	Feb 2011 - 28 Mar 2011	R 399 900
Evaluation of SMME Benefits for 2010 FIFA World Cup	5	July 2010 - 30 August 2010	R 149 294
Informal Sector Study	5	Oct 2010-17 Dec 2010	R 320 000
Agri-processing Sector	3	Oct 2010-20 Dec 2010	R 155 000
Furniture Sector Survey	3	Oct 2010-20 Dec 2010	R 148 150

Table 4.16.1: Report on consultant appointments using appropriated funds, 1 April 2010 to 31 March 2011 (continued)

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Clothing & Textiles and Toolmaking Sector Survey	4	Oct 2010-20 Dec 2010	R 182 115
Work & Skills Survey	2	13 Dec 2010 -31 Mar 2011	R 168 482
Chief Economist	1	Dec 2010 -31 Mar 2011	R 199 500
TSD Survey Study	3	Dec 2010 -05 Jan 2011	R 75 411
CMT Sector Survey Study	5	Jan 2011-25 Mar 2011	R 280 000
OCP Survey Study	2	26 Jan 2011- 31 Mar 2011	R 492 220
FASFacts Evaluation Study	4	21 Feb 2011- 31 Mar 2011	R 494 584
Project Manager for the WCEDA	1	20 Jan2010 - 31 Mar 2012	R 1 000 000
Business Support, Film and Craft	2	4-15 Mar 2011	R 93 708
WC Economy's Sectoral and Growth Prospects	1	Mar 2011 - 30 Jun 2011	R 150 000
Tourism Safety Programme	2	22 Mar 2011 - 31 May 2011	R 94 848
Liquor Amendment Bill	Not indicated	31 May 2010- 31 Oct 2011	R 193 800
Employee Health & Wellness (EAP)	Not indicated	01 Jul 2010 - 31 Mar 2011	R 73 080
Saldanha IDZ project manager	1	Apr 2010- Jun 2010	R 99 000
Cape Health Technology Park	1	20 Sept 2010-02 Dec 2010	R 187 050
Coordinator for the Saldanha IDZ Project	1	24 Nov 2010-31 Mar 2011	R 199 056
Expansion of the Bandwidth Barn	3	23 Dec 2010-April 2011	R 423 360
PPP Infrastructure Advisor	1	25 Jan 2011-25 Jan 2012	R 299 000
Saogo Port	1	28 Mar 2011-21 Oct 2011	R 342 000
Telecommunications Infrastructure	1	10 Feb 2011-31 Mar 2012	R 2 152 320
Sector reports	1	2 March 2011-25 March 2011	R 158 200
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
	80		R 10 553 509

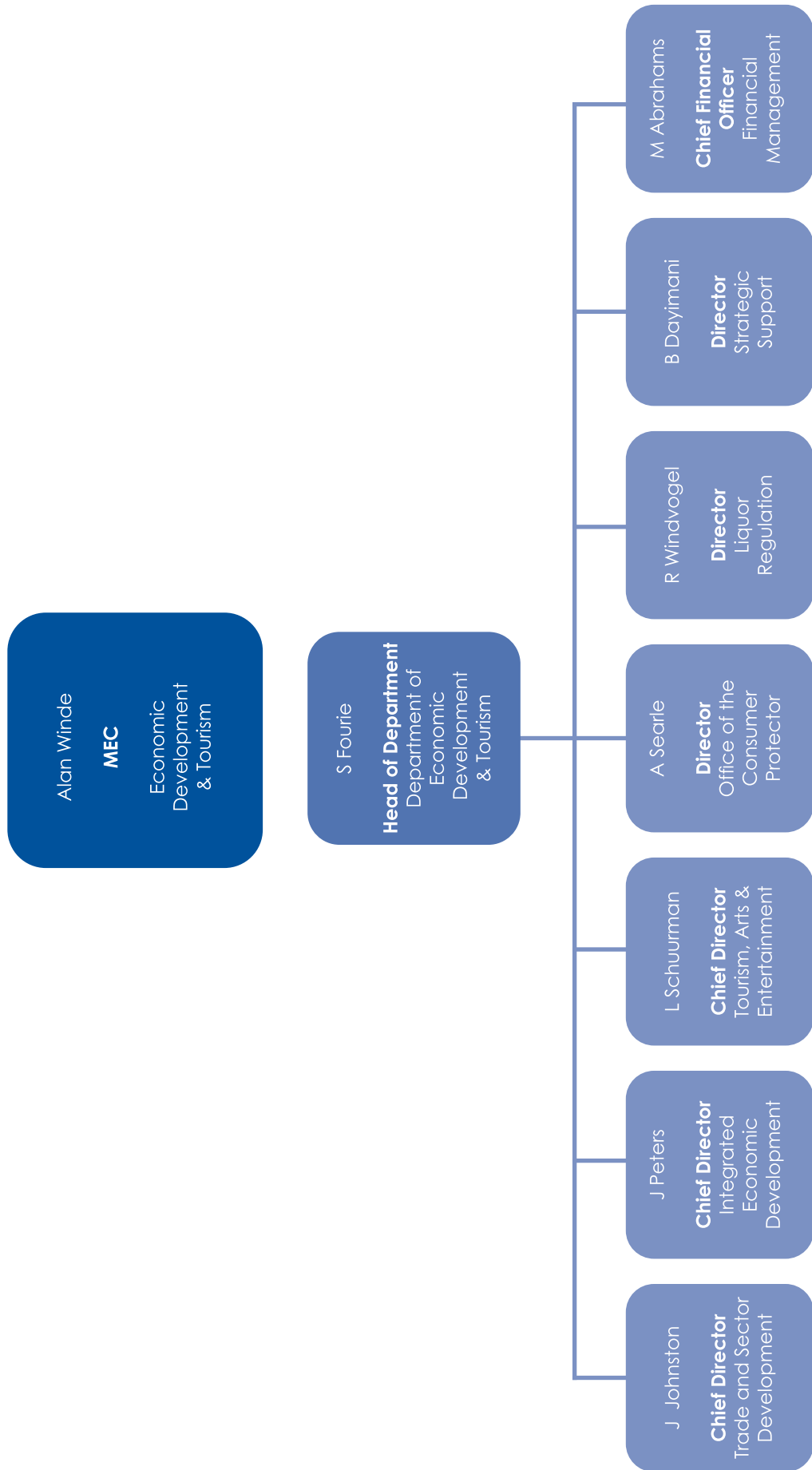
Table 4.16.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2010 to 31 March 2011

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that worked on the project
Tourist guide training	Not indicated	Not indicated	Not indicated
Tourist guide training: Adventure site guides	0	0	0
Tourist guide training: Voice and Pronunciation course	0	0	0
Ubuntu International Internships	Not indicated	Not indicated	Not indicated
Inspection - illegal guides	Not indicated	Not indicated	Not indicated
Tourist guide training	0	0	0
Tourist guide training: Voice and Pronunciation course	0	0	0
Tourism intermediate Training 201	100	100	Not indicated
Legacy Mentorship Programme - Database creation	0%	0%	3
Municipal Capacity Building	0%	0%	2
Supplier Development Programme - Pacaltsdorp	100%	100%	1
Supplier Development Programme – Mitchell's Plain	100%	100%	4
Legacy Mentorship Programme	100%	100%	1
Participation Project	0%	0%	1
LED Strategies	26%	26%	2
Supplier Development Programme - UWC	100%	100%	2
Evaluation of SMME Benefits for 2010 FIFA World Cup	100%	100%	5
Informal Sector Study	100%	100%	5
Agri-processing Sector	100%	100%	3
Furniture Sector Survey	100%	100%	3

Table 4.16.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2010 to 31 March 2011
(continued)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that worked on the project
Clothing & Textiles and Toolmaking Sector Survey	100%	100%	4
Work & Skills Survey	100%	100%	2
Chief Economist	0%	0%	1
TSD Survey Study	100%	100%	3
CMT Sector Survey Study	100%	100%	5
OCP Survey Study	100%	100%	2
FASFacts Evaluation Study	100%	100%	4
Project Manager for the WCEDA	67%	67%	1
Business Support, Film and Craft	100%	100%	2
WC Economy's Sectoral and Growth Prospects	0%	0%	1
Tourism Safety Programme	100%	100%	2
Liquor Amendment Bill	10.85%	Not indicated	Not indicated
Employee Health & Wellness (EAP)	Not indicated	Not indicated	Not indicated
Saldanha IDZ project manager	0%	0%	0
Cape Health Technology Park	0%	0%	0
Co-Ordinator for the Saldanha IDZ Project	0%	0%	0
Expansion of the Bandwidth Barn	34,81%	Not indicated	1
PPP Infrastructure Advisor	100,00%	100,00%	1
Saogo Port	22,08%	Not indicated	0
Telecommunications Infrastructure	100,00%	100,00%	1
Sector reports	Not indicated	Not indicated	Not indicated

ORGANOGRAM



Annexure 1: Western Cape Liquor Board Financial statements

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
ANNUAL REPORT 2010/11

ANNUAL FINANCIAL STATEMENTS FOR THE WESTERN CAPE LIQUOR BOARD

**For the year ended
31 March 2011**

THE WESTERN CAPE LIQUOR BOARD

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

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Accounting Officer's Report for the year ended 31 March 2011

The Western Cape Liquor Board is committed to the creation of an equitable, socially responsible regulatory environment within the retail sector of the liquor industry in the Province. It seeks to achieve this through interventions mandated by the national and provincial legislation and policies, in particular by adherence to the principles of public interest and the reduction of the socio-economic and other costs associated with the abuse and irresponsible sale of liquor, as contemplated in the said legislation and policies.

Noting the above, the Board's governing department approved the 3-year strategic plan and a budget of R 8,921 million for the 2010/11 financial year to fulfil our mandate on the regulation of the industry.

Total expenditure for the financial year under review was R7, 425 million, which equates to a total spend of 83.23% of the original budget. The increase in expenditure resulted from the vast number of Board meetings held, especially in rural areas, in accordance with the provincial government's commitment to make government processes and administration accessible and transparent to the general public and in particular people living beyond the borders of the greater Cape Town,

As in previous years, expenditures of note were those in respect of support for interventions to promote awareness of the dangers of the abuse of; liquor, primarily foetal alcohol syndrome (FAS). Targeted interventions were held in Paarl, Worcester, Robertson, Rawsonville, and Montagu areas, reaching in excess of 800 people. Furthermore, in excess of 500 new liquor licences were approved during the period under review.

In providing impetus to the approval procedures, the Liquor Licensing inspectorate also conducted 795 inspections of premises which applied for licences. The inspectorate also played an instrumental role in ensuring that the World Cup licensed areas were suitably regulated with staff performing inspection duty at the Cape Town Stadium and fan parks.

The Annual Financial Statements have been prepared in accordance with Statements of Generally Recognised Accounting Practices (GRAP).



S. FOURIE
ACCOUNTING OFFICER

31 July 2011

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE WESTERN CAPE LIQUOR BOARD

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Western Cape Liquor Board, which comprise the statement of financial position as at 31 March 2011, and the 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 information, as set out on pages 316 to 349.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 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 International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Liquor Board as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 97 to 99 and 106 to 109 (relating to sub-programme 4.3 Liquor Regulation) and material non-compliance with laws and regulations applicable to the public entity.

Predetermined objectives

9. There were no material findings on the annual performance report.

Compliance with laws and regulations

Financial statements

10. The financial statements submitted for audit did not comply with section 55(1)(a) to (c) of the PFMA as material misstatements were identified during the audit that were subsequently corrected by management.

Procurement and contract management

11. Awards were made to suppliers who did not submit a declaration of past supply chain practices such as fraud, abuse and non-performance as per the requirements of Treasury regulation 16A9.1(a) and Practice Note 4 of 2006.

Audit committee

12. The accounting authority did not arrange for adequate oversight by an audit committee over the financial statements and related internal controls, as required by Treasury Regulation 27.1.1.

INTERNAL CONTROL

13. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

14. The accounting authority did not adequately evaluate whether management has implemented effective internal controls to ensure that senior management has met their responsibilities with regard to compliance matters identified relating to the supply chain management (SCM) regulations.

15. There is a lack of adequately skilled staff in the finance unit to enable the regular production of GRAP financial statements, which could have reduced the material misstatements identified during the audit process.

Auditor - General

Cape Town
31 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

THE WESTERN CAPE LIQUOR BOARD
STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2011

	Note	2011 R	2010 R Restated
ASSETS			
Current Assets		364 145	181 749
Trade and other receivables	4	364 145	181 749
Non-Current Assets		670 258	852 524
Property, Plant and Equipment	5	607 170	848 538
Intangible Assets	6	63 088	3 986
Total Assets		1 034 403	1 034 272
LIABILITIES			
Current Liabilities		399 992	283 106
Trade and other payables	7	399 602	283 106
Current Portion of Long-term Liabilities	9	390	-
Non-Current Liabilities		239	-
Long-term Liabilities	9	239	-
Total Liabilities		400 231	283 106
Total Assets and Liabilities		634 173	751 167
NET ASSETS		634 173	751 167
Accumulated Surplus / (Deficit)	10	634 173	751 167
Total Net Assets		634 173	751 167

THE WESTERN CAPE LIQUOR BOARD
STATEMENT OF FINANCIAL PERFORMANCE AT 31 MARCH 2011

	Note	Actual	
		2011 R	Restated 2010 R
REVENUE			
Revenue from Non-exchange Transactions			
Transfers and Subsidies Received	11	7 536 615	8 365 626
Revenue from Exchange Transactions			
Other Income	12	6 908 886	5 696 451
Total Revenue		14 445 501	14 062 077
EXPENDITURE			
Employee Related Costs	13	4 803 416	4 460 306
Depreciation and Amortisation	14	318 784	277 624
Finance Costs	15	18	-
Contracted Services		30 494	251 816
Grants and Subsidies Paid		750 000	1 767 794
General Expenses	16	1 522 581	3 359 886
Total Expenditure		7 425 292	10 117 426
SURPLUS FOR THE YEAR		7 020 209	3 944 652

THE WESTERN CAPE LIQUOR BOARD
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2011

Description	Total for Accumulated Surplus/(Deficit) Account	Total
	R	R
2010		
Balance at 31 March 2009	3 188 362	3 188 362
Correction of Error (Note 17)	(898 017)	(898 017)
Restated Balance	2 290 345	2 290 345
Surplus / (Deficit) for the year	3 944 652	3 944 652
Transfer to Department of Economic Development & Tourism	(5 483 830)	(5 483 830)
Restated Balance at 31 March 2010	751 167	751 167
2011		
Restated Balance	751 167	751 167
Surplus / (Deficit) for the year	7 020 209	7 020 209
Transfer to Department of Economic Development & Tourism	(7 137 202)	(7 137 202)
Balance at 31 March 2011	634 173	634 174

THE WESTERN CAPE LIQUOR BOARD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 R	Restated 2010 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from grants and from charges for services provided by the entity		14 574 804	14 539 890
Cash paid to Suppliers and Employees		(8 209 808)	(8 771 747)
Cash generated from / (utilised in) Operations	18	6 364 997	5 768 143
Interest paid	15	(18)	-
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		6 364 979	5 768 143
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	5	(87 493)	(284 313)
Purchase of Intangible Assets	6	(65 467)	-
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		(152 960)	(284 313)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment to controlling entity department		(7 137 202)	(5 483 830)
Movement in Finance Lease Liability	9	629	-
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		(7 136 573)	(5 483 830)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		-	-
Cash and Cash Equivalents at the beginning of the year		-	-
Cash and Cash Equivalents at the end of the year		-	-

THE WESTERN CAPE LIQUOR BOARD

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

1.1 CHANGES IN ACCOUNTING POLICY AND COMPARABILITY

Accounting Policies have been consistently applied, except where otherwise indicated below:

The Accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated.

The entity changes an accounting policy only if the change:

(a) is required by a Standard of GRAP; or

(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flow.

The details of any changes in accounting policies and comparative restatements are explained in the relevant policy.

1.2 CRITICAL JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS

In the application of the entity's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the entity's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1.2.1 *Financial assets and liabilities*

The classification of financial assets and liabilities, into categories, is based on judgement by management. Accounting Policy 1.8.2 on *Financial Assets Classification* and Accounting Policy 1.8.3 on *Financial Liabilities Classification* describe the factors and criteria considered by the management of the entity in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP.

THE WESTERN CAPE LIQUOR BOARD

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

1.2.2 Impairment of Financial Assets

Accounting Policy 1.8.5 on *Impairment of Financial Assets* describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the entity considered the detailed criteria of impairment of financial assets as set out in GRAP, and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the entity is satisfied that the impairment of financial assets recorded during the year is appropriate.

- Impairment of trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1.2.3 Useful lives of Property, Plant and Equipment

As described in Accounting Policies 1.6.3 the entity depreciates/ amortises its property, plant and equipment, investment property and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives and residual values of the assets are based on industry knowledge.

1.2.4 Impairment: Write down of Property, Plant and Equipment

Accounting Policy 1.6.5 on *PPE - Impairment of assets* and Accounting Policy 1.7.2 on *Intangible assets - Subsequent Measurement, Amortisation and Impairment* describes the conditions under which non-financial assets are tested for potential impairment losses by the management of the entity. Significant estimates and judgements are made relating to PPE impairment testing, Intangible assets impairment testing.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 17: *Property, Plant and Equipment* and GRAP 102: *Intangible assets*. In particular, the calculation of the recoverable service amount for PPE and intangible assets involves significant judgment by management.

1.2.5 Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.2.6 Revenue Recognition

Accounting Policy 1.10.2 on *Revenue from Exchange Transactions* and Accounting Policy 1.10.3 on *Revenue from Non-exchange Transactions* describes the conditions under which revenue will be recorded by the management of the entity.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: *Revenue from Exchange Transactions* and GRAP 23: *Revenue from non-exchange transactions*, as far as Revenue from Non-Exchange Transactions is concerned (see Basis of Preparation above). In particular, whether the entity, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. The management of the entity is satisfied that recognition of the revenue in the current year is appropriate.

THE WESTERN CAPE LIQUOR BOARD

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

1.2.7 Going Concern Assumption

The Annual Financial Statements have been prepared on a going concern basis.

1.3 PRESENTATION CURRENCY

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand. Rand is the entity's functional currency.

1.4 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the entity:

GRAP 18 Segment Reporting - issued March 2005
GRAP 21 Impairment of Non-cash-generating Assets - issued March 2009
GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007

GRAP 25 Employee Benefits - issued December 2009
GRAP 26 Impairment of Cash-generating Assets - issued March 2009
GRAP 103 Heritage Assets - issued July 2008
GRAP 104 Financial Instruments - October 2009

The Minister of Finance announced that the application of GRAP 21, GRAP 23, GRAP 24, GRAP 26, GRAP 103 will be effective for period starting after 1 April 2012. All other standards as listed above will only be effective when a date is announced by the Minister of Finance.

1.6 PROPERTY, PLANT AND EQUIPMENT

1.6.1 Initial Recognition

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended. Trade discounts and rebates are deducted in arriving at the cost.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

THE WESTERN CAPE LIQUOR BOARD

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

1.6.2 Subsequent Measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

1.6.3 Depreciation

Depreciation on assets is calculated on cost, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year-end:

	Years
Computer Hardware	3
Office Furniture and Fittings	5

Depreciation only commences when the asset is available for use, unless stated otherwise.

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate.

1.6.4 Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not classified as revenue.

THE WESTERN CAPE LIQUOR BOARD

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

Gains or losses are calculated as the difference between the carrying value of assets (cost less accumulated depreciation and accumulated impairment losses) and the disposal proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

1.6.5 Impairment of assets

1.6.5.1 Impairment of Cash generating assets

The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the individual asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit

1.6.5.2 Impairment of Non-Cash generating assets

The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss is recognised for non cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

THE WESTERN CAPE LIQUOR BOARD
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

1.7 INTANGIBLE ASSETS

1.7.1 Initial Recognition

Identifiable non-monetary assets without physical substance are classified and recognised as intangible assets. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity, or where an intangible asset is acquired at no cost, or for a nominal cost, the cost shall be its fair value as at the date of acquisition. Trade discounts and rebates are deducted in arriving at the cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. Where an intangible asset is acquired at no cost or for a nominal consideration, its cost is its fair value as at the date it is acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.7.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses.

In terms of GRAP 102, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives. Amortisation is charged on a straight-line basis over the intangible assets' useful lives, which are estimated to be between 2 years, the residual value of assets with finite useful lives is zero, unless an active market exists. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, however, such intangible assets are subject to an annual impairment test.

Intangible assets are annually tested for impairment, including intangible assets not yet available for use. Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in the Statement of Financial Performance.

1.7.3 Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the net disposals proceeds and the carrying value and is recognised in the Statement of Financial Performance.

THE WESTERN CAPE LIQUOR BOARD
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

1.8 FINANCIAL INSTRUMENTS

The entity has various types of financial instruments and these can be broadly categorised as either financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual agreement .

1.8.1 Initial recognition

Financial assets and financial liabilities are recognised on the entity's Statement of Financial Position when the entity becomes party to the contractual provisions of the instrument.

The entity does not offset a financial asset and a financial liability unless a legally enforceable right to set off the recognised amounts currently exist; and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.8.2 Financial Assets - Classification

A financial asset is any asset that is a cash or contractual right to receive cash.

The Financial Assets of the entity are classified as follows into the four categories allowed by this standard:

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets. Loans and receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition Financial Assets are measured at amortised cost, using the effective interest rate method less a provision for impairment.

Held-to-Maturity Investments are financial assets with fixed or determinable payments and fixed maturity where the entity has the positive intent and ability to hold the investment to maturity.

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

Available for sale investments are financial assets that are designated as available for sale or are not classified as:

- Loans and Receivables

The entity has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of Financial Asset	Classification
Trade receivables	Loans and receivables

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The entity categorises cash and cash equivalents as financial assets: available for sale.

1.8.3 Financial Liabilities - Classification

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The entity has the

- Trade and other payables
- Employee benefits

There are three main categories of *Financial Liabilities*, the classification determining how they are measured. Financial liabilities may be measured at:

- (i) Fair value through profit or loss; or
- (ii) Other financial liabilities (Financial liabilities measured at amortised cost)
- (iii) Financial guarantee contract

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Financial liabilities that are measured at fair value through profit or loss are financial liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial instruments where there is recent actual evidence of short-term profiteering or are derivatives).

Any other financial liabilities are classified as "Other financial liabilities".

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.8.4 Initial and Subsequent Measurement

Financial Assets:

Held-to-maturity Investments are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with revenue recognised on an effective yield basis.

Loans and Receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an effective yield basis.

Trade and other receivables, loans to group entities and loans that have fixed and determinable payments that are not quoted in an active market are classified as loans and receivables.

Available-for-Sale Financial Assets are initially measured at fair value plus directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the statement of financial performance, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the statement of financial performance.

Financial liabilities:

Financial liabilities that are measured at fair value through profit or loss are stated at fair value, with any resulted gain or loss recognised in the Statement of Financial Performance.

1.8.5 Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised.

Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in net assets and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in net assets shall be removed and recognised in the Statement of Financial Performance even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from net assets and recognised in the Statement of Financial Performance is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in Statement of Financial Performance.

THE WESTERN CAPE LIQUOR BOARD

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Impairment losses recognised in the Statement of Financial Performance for an investment in an equity instrument classified as available-for-sale are not reversed through the Statement of Financial Performance

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss is recognised in the Statement of Financial Performance, the impairment loss must be reversed, with the amount of the reversal recognised in the Statement of Financial Performance.

Financial assets carried at amortised cost

Loans and receivables encompass trade receivables.

An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of accounts receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

When a consumer debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

1.8.6 Derecognition of Financial Assets

The entity derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

1.8.7 Derecognition of Financial Liabilities

The entity derecognises Financial Liabilities when, and only when, the entity's obligations are discharged, cancelled or they expire.

The entity transfers a financial asset if either it transfers the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows of the financial asset.

The entity recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

1.9 RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

It is the policy of the Entity to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the Entity is exposed on the reporting date.

The Entity has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

Risks and exposure are disclosed as follows:

THE WESTERN CAPE LIQUOR BOARD

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Market Risk

- Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.
- The maximum exposure to cashflow and fair value risk, price risk and foreign currency risk.
- Sensitivity analysis for each of the market risks

Credit Risk

- Credit risk is the risk of financial loss to the Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Entity's receivables from customers and investment securities.
- Each class of financial instrument is disclosed separately.
- Maximum exposure to credit risk not covered by collateral is specified.
- Financial instruments covered by collateral are specified.

Liquidity Risk

- Liquidity risk is the risk that the Entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.
- A maturity analysis for financial assets and liabilities that shows the remaining contractual maturities.
- Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

1.10 REVENUE RECOGNITION

1.10.1 General

Revenue, is derived from a variety of sources which includes renewals for licences issued, application fees for new licences, penalties on late payments and finance income.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the entity's activities. Revenue is shown net rebates and discounts.

The entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the entities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

THE WESTERN CAPE LIQUOR BOARD
ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

1.10.2 Revenue from Exchange Transactions

1.10.2.1 Licence fees

Licence fees constitute revenue which arises from liquor licences issued to customers. This revenue is recognised when payment is received.

Revenue from the sale of goods is recognised when all the following conditions have been met:

- The entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.10.2.2 Finance income

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

1.10.2.3 Application fees

Application fees constitute revenue which arises from once off payments received from customers when applying for a liquor licence. This revenue is recognised when payment is received.

Revenue from the sale of goods is recognised when all the following conditions have been met:

- The entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.10.3 Revenue from Non-exchange Transactions

1.10.3.1 Penalties

Penalties constitute additional charges on late payment on licence fees. This revenue is recognised when payment is received.

1.10.3.2 Government grants

Funding from the Western Cape Department of Economic Development are recognised as revenue when the entity gains control of resources that meet the definition of an asset i.e. when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

1.11 LEASES

Lease Classification

Leases of property, plant and equipment, in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

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The Entity as Lessee

Operating leases

The Entity recognises operating lease rentals as an expense in the statement of financial performance on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Entity determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Entity the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Entity separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Entity concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Entity's incremental borrowing rate.

1.12 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the entity shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

1.13 FRUITLESS, WASTEFUL AND IRREGULAR EXPENDITURE

If any fruitless, wasteful and or irregular expenditure is identified it will be disclosed in accordance with GRAP and the requirements per the PFMA.

1.14 RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

1.15 EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

1.16 COMPARATIVE INFORMATION

1.16.1 Prior year comparatives

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

2. GENERAL INFORMATION

Domicile	South Africa
Nature of business and principle activities	Enhancing public participation in liquor regulation and maximising the benefits of the industry for the Province and its people, while minimising the negative effects.
Legal form of entity	Trading entity [as defined by the Public Finance Management Act (Act No. 1 of 1999 as amended by Act No. 25 of 1999)]
Ultimate parent / Controlling entity	Western Cape - Department of Economic Development and Tourism
Registered office	6th Floor Waldorf Building 80 St George's Mall Cape Town 8000
Business address	6th Floor Waldorf Building 80 St George's Mall Cape Town 8000
Postal address	P.O. Box 979 Cape Town 8000
Auditor	The Auditor-General of South Africa

3. RECONCILIATION OF BUDGET EXPENSES WITH THE EXPENSES IN THE STATEMENT OF FINANCIAL PERFORMANCE

	2011
	R
Expenses as per the statement of financial performance	7 425 292
Adjusted for:	
Provision for leave	22 524
Reverse of Provision for bad debt	-172 678
Accruals for the year	-32 134
Capital expenditure	126 176
Depreciation and amortisation	-318 784
Donation of assets	-16 442
Expenditure not utilised	718 250
Expenses as per approved budget	<u>7 752 205</u>

A reconciliation has been prepared between the budgeted expenses and the expenses in the statement of financial performance, as the budget has been prepared on the cash basis

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

4. TRADE AND OTHER RECEIVABLES

	2011 R	2010 R
Trading account	238 084	99 061
Trade receivables	126 062	82 688
	364 145	181 749

4.1 Trading account

The trading account is held by the Western Cape Department of Economic Development and Tourism. The carrying amount of this balance is considered to be equal to its fair value.

Opening balance	99 061	253 000
Movement for the year for cash flow purposes	139 023	-153 939
Closing balance	238 084	99 061

4.2 Trade receivables

	Gross Balances	Provision for Impairment	Net Balances
As at 31 March 2011			
Trade receivables	480 384	354 323	126 062
Licences outstanding	480 384	354 323	126 062
Total Trade receivables	480 384	354 323	126 062

	Gross Balances	Provision for Impairment	Net Balances
As at 31 March 2010			
Trade receivables	609 688	527 000	82 688
Licences outstanding	609 688	527 000	82 688
Total Trade receivables	609 688	527 000	82 688

The Board is of the opinion that the carrying value of Trade receivables approximate their fair values.

The fair value of Trade receivables was determined after considering the standard terms and conditions of agreements entered into between the Liquor Board and Trade receivables as well as the current payment ratio's of the board's Trade receivables.

4.2.1 Ageing of Trade receivables

Current:

0 - 30 days	64 866	157 688
31 - 60 Days	22 112	46 000
61 - 90 Days	5 100	49 250
91+	388 304	356 750
Total	480 382	609 688

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011	2 010
	R	R
4.2.2 Reconciliation of the Provision for Impairment		
Balance at beginning of year	527 000	-
Impairment Losses recognised	-	527 000
Impairment Losses reversed	(172 677)	-
Balance at end of year	354 323	527 000

In determining the recoverability of debtors, the provision for impairment of Trade receivables has been made for all consumer balances outstanding. No further credit provision is required in excess of the Provision for Impairment.

Financial assets that are neither past due nor impaired are considered fully performing. The carrying amounts of fully performing financial assets included in loans and receivables at year-end are:

	64 866	66 000
--	--------	--------

Financial assets included in trade receivables that are outside their normal payment terms are considered to be past due. The following represents an analysis of the past due number of days of financial assets that are past due but not impaired:

	17 000
--	--------

4.2.3 Credit quality of trade and other receivables

In determining the recoverability of a receivable, management considers any change in the credit quality of the debtor from the date credit was initially granted up to the reporting date. Any provision for impairment on trade and other receivables (loans and receivables) exists predominantly due to the possibility that these debts will not be recovered. Management assesses these debtors individually for impairment and group them together in the Statement of Financial Position as financial assets with similar credit risk characteristics.

4.2.4 Fair value of trade and other receivables

The fair value of the trade and other receivables (upon initial recognition) are stated at amortised cost, comprising original debt according to the invoice amounts less principle payments and amortisations. Management considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements to approximate their fair values on 31 March 2011, as a result of the short-term maturity of these assets and liabilities.

4.2.5 Classification of financial assets

The Financial Assets of the Board is classified as follows:

<u>Financial Assets</u>	<u>Classification</u>
Trade and other receivables	
Trading account	At amortised cost
Trade receivables	At amortised cost

4.2.6 Discontinued operations

There were no discontinued operations for the period under review.

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

5. PROPERTY, PLANT AND EQUIPMENT

31 March 2011

Reconciliation of Carrying Value

Description	Office Furniture and Fittings	Machinery and Equipment	Total
	R	R	R
Carrying values at 01 April 2010	554 026	294 511	848 538
Cost	1 043 134	592 335	1 635 470
Accumulated Depreciation:	(489 108)	(297 824)	(786 932)
Acquisitions	-	87 493	87 493
Depreciation:	(147 283)	(165 135)	(312 418)
Carrying value of Disposals:	(914)	(15 528)	(16 442)
- Cost	(8 441)	(86 009)	(94 450)
- Accumulated Depreciation	7 526	70 481	78 007
Carrying values at 31 March 2011	405 829	201 341	607 170
Cost	1 034 694	593 819	1 628 513
Accumulated Depreciation:	(628 864)	(392 478)	(1 021 343)

31 March 2010

Reconciliation of Carrying Value

Description	Office Furniture and Fittings	Machinery and Equipment	Total
	R	R	R
Carrying values at 01 April 2009	723 618	116 238	839 856
Cost	1 034 940	316 216	1 351 157
Accumulated Depreciation:	(311 323)	(199 978)	(511 301)
Acquisitions	8 194	276 119	284 313
Depreciation:	(177 785)	(97 846)	(275 631)
Carrying values at 31 March 2010	554 026	294 511	848 538
Cost	1 043 134	592 335	1 635 470
Accumulated Depreciation:	(489 108)	(297 824)	(786 932)

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011	2010
	R	R
5. PROPERTY, PLANT AND EQUIPMENT (Continued)		
<i>Change in Estimate - Useful Life of Property, Plant and Equipment reviewed:</i>		
The change in estimates will result in an decrease in the depreciation expense for the current year and will result in the assets being depreciated for a period of one year longer than what was initially estimated.		
6. INTANGIBLE ASSETS		
At Cost less Accumulated Amortisation and Accumulated Impairment Losses	63 088	3 986
The movement in Intangible Assets is reconciled as follows:		
	Computer Software	Total
Carrying values at 01 April 2010	3 986	3 986
Cost	10 250	10 250
Accumulated Amortisation	(6 264)	(6 264)
Acquisitions during the Year:		
Purchased	65 467	65 467
Amortisation during the Year:		
Purchased	(6 365)	(6 365)
Carrying values at 31 March 2011	63 088	63 088
Cost	75 717	75 717
Accumulated Amortisation	(12 629)	(12 629)
Carrying values at 01 April 2009	5 979	5 979
Cost	10 250	10 250
Accumulated Amortisation	(4 271)	(4 271)
Amortisation during the Year:		
Purchased	(1 993)	(1 993)
Carrying values at 31 March 2010	3 986	3 986
Cost	10 250	10 250
Accumulated Amortisation	(6 264)	(6 264)

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 14) and the change in estimate in note 17.2.

None of the Western Cape Liquor Board's Intangible Assets have been pledged as security for any liabilities of the entity.

The entity amortises all its Intangible Assets and no of such assets are regarded as having indefinite useful lives. The useful lives of the intangible assets are as follows:

Computer software* 5 years (2010: 2 years)

*The useful life of computer equipment purchased during 2005/06 was reassessed at 5 years at the 31 March 2011 reporting date. Other computer software (such as Pastel Evolution) has been kept at 2 years.

Amortisation is charged on a straight-line basis over the intangible assets' useful lives.

No restrictions apply to any of the Intangible Assets of the entity.

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 R	2010 R
7. TRADE AND OTHER PAYABLES		
Trade Creditors	238 083	99 061
Accrued leave	161 520	184 044
Total Creditors	399 602	283 106

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the Accounting Policy. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the board deals with. The board has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

The management of the Board is of the opinion that the carrying value of Creditors approximate their fair values.

The fair value of Creditors was determined after considering the standard terms and conditions of agreements entered into between the Board and other parties.

Leave accrue to the staff of the Board on an annual basis, subject to certain conditions. The accrual is an estimate of the amount due at the reporting date.

7.1 Credit quality of trade and other payables

Trade payables are non-interest bearing and are generally on 30 day payment terms. The Board does not pledge any of its assets as security for the payables. The Board has internal operating procedures and controls in place to ensure that all payables are paid within the credit timeframe.

7.2 Fair value of trade and other payables

The fair value of the trade and other payables (upon initial recognition) are equal to the invoice amounts related to these payables.

7.3 Classification of financial liabilities

The Financial Liabilities of the Board is classified as follows:

<u>Financial Liabilities</u>	<u>Classification</u>
Trade and other payables	
Trade creditors	Financial liabilities at amortised cost
Accrued leave	Financial liabilities at amortised cost

8. OPERATING LEASE LIABILITIES / PAYABLES

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. No liability existed at 31 March 2011 (2010: None) as none of the contracts have any escalation clauses.

9. LONG TERM LIABILITIES

Finance Lease Liabilities	629	-
Sub-total	629	-
Less: Current Portion transferred to Current Liabilities:-	390	-
Finance Lease Liabilities	390	-
Total Long-term Liabilities	239	-

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 R	2010 R
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9.1 Summary of Arrangements

Finance Lease Liabilities relates to Machinery & Equipment with lease terms of 2 years. The effective interest rate on Finance Leases is 6%.

The management of the board is of the opinion that the carrying value of Long-term Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values.

9.2 Obligations under Finance Lease Liabilities

The Public entity as Lessee:

The board has acquired leased Property, Plant and Equipment.

The obligations under Finance Leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2011 R	2010 R	2011 R	2010 R
Amounts payable under finance leases:				
Within one year	417	-	390	-
In the second to fifth years, inclusive	243	-	239	-
Over five years	-	-	-	-
	661	-	629	-
Less: Future Finance Obligations	32	-	-	-
Present Value of Minimum Lease Obligations	629	-	629	-
Less: Amounts due for settlement within 12 months (Current Portion)			(390)	-
Finance Lease Obligations due for settlement after 12 months (Non-current Portion)			239	-

10. ACCUMULATED SURPLUS

Accumulated Surplus / (Deficit) due to the results of Operations	634 173	751 167
Total Accumulated Surplus	634 173	751 167

Accumulated Surplus has been restated to correctly classify amounts journalised in the Prior period Errors. Refer to Note 17 on "Correction of Error" for details of the restatement.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

11. TRANSFERS AND SUBSIDIES RECEIVED

Provincial Department	7 536 616	8 365 626
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THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 R	2010 R
12. OTHER INCOME		
Registration of liquor fees	6 908 886	5 412 138
Assets transferred in	-	284 313
Total Other Income	6 908 886	5 696 451
<i>Registration of liquor fees consist of:</i>		
Application fees	1 360 668	
Removal Fee	20 775	
Renewal fees	5 527 443	
	6 908 886	
Due to system limitations the comparative figures could not be disclosed.		
13. EMPLOYEE RELATED COSTS		
Employee Related Costs - Salaries and Wages	3 155 548	2 843 377
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	846	475
Housing Benefits and Allowances	92 252	-
Leave payments	3 234	29 251
Overtime Payments	31 358	-
Performance Bonuses	16 961	175 598
Periodical	415 250	333 277
Other non-pensionable	403 669	462 697
Severance packages	197 971	185 899
<i>Social contributions (Employer's contributions)</i>		
- Medical	127 255	107 326
- Pension	359 072	322 405
Total Employee Related Costs	4 803 416	4 460 306
The members of key management personnel of the Western Cape Liquor Board during the year were:		
Chief Executive Officer - R. T. C. Windvogel		
Chief Financial Officer - M. Abrahams		
The Chief Financial Officer, M. Abrahams, does not reside at the Western Cape Liquor Board and is not compensated by the Board, but by the Department of Economic Development and Tourism, and compensation made to this member of key management personnel is therefore presented in the Annual Financial Statements of the Department.		
<i>Remuneration of the Chief Executive Officer - RTC Windvogel</i>		
Annual Remuneration	402 382	381 000
Other benefits	302 175	264 000
Total	704 557	645 000
14. DEPRECIATION AND AMORTISATION		
Depreciation: Property, Plant and Equipment	312 418	275 631
Amortisation: Intangible Assets	6 365	1 993
Total Depreciation and Amortisation	318 784	277 624
15. FINANCE COSTS		
Finance Leases	18	-
Total Interest Paid on External Borrowings	18	-

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 R	2010 R
16. GENERAL EXPENSES		
Advertising & Marketing	13 327	50 410
Assets purchased from Revenue	8 032	66 362
Audit Fees	296 290	190 123
Business and Advisory Services (Communication)	-	1 077 157
Business and Advisory Services (Project Management)	39 900	195 000
Business and Advisory Services (Research and Advisor)	153 900	145 320
Business and Advisory Services (Translate and Transcript)	34 297	28 770
Bursaries	31 920	-
Communication	95 970	113 949
Consumables	146	2 074
Donation of assets	16 442	-
Entertainment	5 541	11 014
Lease Charges	20 918	11 347
Legal Costs	358 196	57 319
Printing and Stationery	101 709	162 181
Training Costs	26 700	88 688
Travelling and Subsistence	407 685	529 616
Venue and facilities	84 285	103 555
<i>Movement in provision for bad debt</i>		
Bad debts	(172 678)	527 000
Total General Expenses	<u><u>1 522 581</u></u>	<u><u>3 359 886</u></u>

The comparative figures for General Expenses have been restated to correct an error contained in the 2009/2010 Annual Financial Statements. Refer to note 17 on Correction of Errors for details of the restatement.

17. CORRECTION OF ERROR

Corrections were made and appropriated to the Accumulated Surplus Account during the financial years ended 31 March.

Details of the appropriations are as follows:

Unappropriated Surplus Account:

	2010
Corrections to Assets	(854 017)
Corrections to Creditors	106 887
Corrections to Intangible	3 986
Corrections to Expenditure	(71 988)
Corrections to Income	(82 885)
Increase / (Decrease) in Accumulated Surplus Account	<u><u>(898 017)</u></u>

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

17.1 Intangible assets included in PPE
 The intangible asset votes have been reclassified in the annual financial statements in order to reflect the nature of the item on the statement of financial position as well as the notes of the financial statements. The Intangible Asset (Computer Software) has been debited and the PPE line item Machinery and Equipment : Computer Equipment has been credited. The effect is as follows:

	2011 R	2010 R
Statement of Financial Position		
	2009/10	2009/10
Property, Plant and Equipment		
Machinery and Equipment : Computer Equipment		
Opening net carrying amount on 1 April 2009	-	-
Gross carrying amount	10 250	-
Accumulated depreciation	(10 250)	-
Closing net carrying amount on 31 March 2010	-	-
Gross carrying amount	10 250	-
Accumulated depreciation	(10 250)	-
Intangible assets		
Computer software		
Opening net carrying amount on 1 April 2009	-	-
Gross carrying amount	-	10 250
Accumulated amortisation	-	(10 250)
Closing net carrying amount on 31 March 2010	-	-
Gross carrying amount	-	10 250
Accumulated amortisation	-	(10 250)

Nature

Intangible assets have been incorrectly classified as PPE during 2009/10. Assets meeting the definition of intangible assets as per GRAP 102.09 have been reclassified on the face of the statement of financial position as well as the notes to the financial statements.

17.2 Intangible asset useful life not assessed

The useful life of the Intangible Asset was not assessed at the end of the previous reporting period. The useful life of the Intangible asset was assessed at the end of the current reporting period and the accumulated depreciation adjusted as at 31 March 2010. This also had the effect that amortisation was effected for 2010 on the re-assessment of the useful life. Amortisation previously stated for 2010 was Rnil. The effect is as follows:

	Statement of Financial Position (previously stated) 2009/10	Correction 2009/10	Restated amount 2009/10
Intangible assets			
Computer software			
Opening net carrying amount on 1 April 2009	(10 250)	(5 979)	(4 271)
Accumulated amortisation	(10 250)	(5 979)	(4 271)
Closing net carrying amount on 31 March 2010	(10 250)	(3 986)	(6 264)
Accumulated amortisation	(10 250)	(3 986)	(6 264)

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 R	2010 R
17.2 Intangible asset useful life not assessed (continued)		
	Statement of Financial Performance (previously stated)	Correction
	2009/10	2009/10
	2009/10	Restated amount
	2009/10	2009/10
Expenditure		
Amortisation and Depreciation	-	1 993
	-	1 993

Nature

The useful life of computer software was reviewed at the previous reporting date as required by GRAP 17.61. The useful life was originally assessed on 2 years, but changed to 5 years after the re-assessment done at the end of the current reporting period.

17.3 Adjustment of carrying values of PPE

The asset register has been recompiled in terms of GRAP requirements for the financial year ended on 31 March 2011 as well as the comparative financial year. The effect is as follows:

	Note to the Statement of Financial Position 2009/10	Correction 2009/10	Restated amount 2009/10
Property, Plant and Equipment			
Machinery and Equipment : Computer Equipment			
Opening net carrying amount on 1 April 2009	118 000	(1 930)	116 070
Gross carrying amount ***	331 000	(14 789)	316 211
Accumulated depreciation ***	(213 000)	12 859	(200 141)
Additions	201 000	-	201 000
Depreciation charge	(74 000)	-	-74 000
Closing net carrying amount on 31 March 2010	245 000	(1 930)	243 070
Gross carrying amount	532 000	(14 789)	517 211
Accumulated depreciation	(287 000)	12 859	(274 141)
 Office Furniture and Fittings			
Opening net carrying amount on 1 April 2009	693 000	-	693 000
Gross carrying amount	984 000	-	984 000
Accumulated depreciation	(291 000)	-	(291 000)
Additions	9 000	-	9 000
Depreciation charge	(169 000)	-	-169 000
Closing net carrying amount on 31 March 2010	533 000	-	533 000
Gross carrying amount	993 000	-	993 000
Accumulated depreciation	(460 000)	-	(460 000)
 Total Property, Plant and Equipment			
Opening net carrying amount on 1 April 2009	811 000	(1 930)	809 070
Gross carrying amount	1 315 000	(14 789)	1 300 211
Accumulated depreciation	(504 000)	12 859	(491 141)
Additions	210 000	-	210 000
Depreciation charge	(243 000)	-	-243 000
Closing net carrying amount on 31 March 2010	778 000	(1 930)	776 070
Gross carrying amount	1 525 000	(14 789)	1 510 211
Accumulated depreciation	(747 000)	12 859	(734 141)

*** The computer software was incorrectly included under PPE on 31 March 2009 and 31 March 2010. The amount transferred from PPE to Intangible assets is R10,250 (note 29.1). This amount differs due to the amounts being rounded to the nearest R'000 during the compilation of the 2010 AFS.

Nature

Intangible assets have been incorrectly classified as PPE during 2009/10. Assets meeting the definition of intangible assets as per GRAP

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 R	2010 R	
17.4 Assets disposed previously			
Assets previously disposed were still accounted for on the asset register as on 31 March 2010. The assets were removed from the asset register and the effect is as follows:			
	Note to the Statement of Financial Position 2009/10	Correction 2009/10	Restated amount 2009/10
Property, Plant and Equipment			
Machinery and Equipment : Computer Equipment			
Opening net carrying amount on 1 April 2009	1 930	(1 930)	-
Gross carrying amount	5 789	(5 789)	-
Accumulated depreciation	(3 859)	3 859	-
Additions	-	-	-
Depreciation charge	-	-	-
Closing net carrying amount on 31 March 2010	1 930	(1 930)	-
Gross carrying amount	5 789	(5 789)	-
Accumulated depreciation	(3 859)	3 859	-

Nature

Assets should be derecognised when it is disposed according to the requirements in GRAP 17.76.

17.5 Assets not recognised in previous financial periods			
Assets acquired during previous financial years were not accounted for on the asset register for 31 March 2010. The assets were recognised on the asset register to correct the error. The effect is as follows:			
	Note to the Statement of Financial Position 2009/10	Correction 2009/10	Restated amount 2009/10
Property, Plant and Equipment			
Machinery and Equipment : Computer Equipment			
Opening net carrying amount on 1 April 2009	-	-	-
Gross carrying amount	-	-	-
Accumulated depreciation	-	-	-
Additions	-	74 691	74 691
Depreciation charge	-	-22 594	-22 594
Closing net carrying amount on 31 March 2010	-	52 097	52 097
Gross carrying amount	-	74 691	74 691
Accumulated depreciation	-	-22 594	-22 594
Office Furniture and Fittings			
Opening net carrying amount on 1 April 2009	-	30 936	30 936
Gross carrying amount	-	51 560	51 560
Accumulated depreciation	-	-20 624	-20 624
Additions	-	-	-
Depreciation charge	-	-10 312	-10 312
Closing net carrying amount on 31 March 2010	-	20 624	20 624
Gross carrying amount	-	51 560	51 560
Accumulated depreciation	-	-30 936	-30 936
Total Property, Plant and Equipment			
Opening net carrying amount on 1 April 2009	-	30 936	30 936
Gross carrying amount	-	51 560	51 560
Accumulated depreciation	-	-20 624	-20 624
Additions	-	74 691	74 691
Depreciation charge	-	-32 906	-32 906
Closing net carrying amount on 31 March 2010	-	72 721	72 721
Gross carrying amount	-	126 251	126 251
Accumulated depreciation	-	-53 530	-53 530

Nature

Assets should be recognised when it meets the requirements as stated in GRAP 17.11.

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

2011
R

2010
R

17.6 Incorrect journal processed against the leave expense

The movement in the provision for leave was incorrectly journalised against the leave expense. This movement should have been against the basic salary. The correcting journal is debit Salaries and wages: basic salary and credit Salaries and wages: leave. The effect is as follows:

	Statement of Financial Performance (previously stated) 2009/10	Correction 2009/10	Restated amount 2009/10
Salaries and Wages : Basic salary	-12 107	12 107	-
Salaries and Wages : Leave	12 107	(12 107)	-
	<u>-</u>	<u>-</u>	<u>-</u>

Nature

The movement in the leave provision was corrected to reflect the nature of the expense.

17.7 Expenses duplicated during 2009/2010

Certain expenses were paid during the year ended 31 March 2010 and was also raised as an accrual on 31 March 2010. This resulted in the expenses being duplicated during the year ended 31 March 2010. The trade and other payables were debited and the relevant expenditure credited to correct the journal. The effect is as follows:

	Statement of Financial Performance (previously stated) 2009/10	Correction 2009/10	Restated amount 2009/10
Venues and facilities	4 500	(4 500)	-
Printing and stationary	2 185	(2 185)	-
Business advisory and communication	100 202	(100 202)	-
	<u>106 887</u>	<u>(106 887)</u>	<u>-</u>

	Statement of Financial Position (previously stated) 2009/10	Correction 2009/10	Restated amount 2009/10
Trade and other payables	(106 887)	106 887	-

Nature

These expenses were paid during the year ended 31 March 2010 and should not have been raised as an accrual on 31 March 2010. This resulted in the expenses being accounted for double during the year ended 31 March 2010.

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 R	2010 R	
17.8 Disclosure of expenses in the current Statement of Financial Performance			
	Statement of Financial Performance (previously stated) 2009/10	Correction 2009/10	
		Restated amount 2009/10	
Expenditure			
Administration Expenses	-529 000	529 000	-
Staff Cost	-4 460 000	4 460 000	-
Marketing Cost	-50 000	50 000	-
Audit Fees	-190 000	190 000	-
Project Expenses	-108 000	108 000	-
Transfers and Subsidies	-1 768 000	1 768 000	-
Other operating expenses	-3 085 000	3 085 000	-
EXPENDITURE			
Employee Related Costs	-	(4 460 306)	(4 460 306)
Depreciation and Amortisation	-	(277 624)	(277 624)
Contracted Services	-	(251 816)	(251 816)
Grants and Subsidies Paid	-	(1 767 794)	(1 767 794)
General Expenses	-	(3 359 886)	(3 359 886)
Correction of errors	-	(72 027)	(72 027)
	<u>-10 190 000</u>	<u>-</u>	<u>-10 189 453</u>

Nature

The format of the prior period Statement of Financial Performance was not GRAP compliant.

17.9 Disclosure of Transfers received in the current Statement of Financial Performance

	Statement of Financial Performance (previously stated) 2009/10	Correction 2009/10	Restated 2009/10
Transfer Subsidies received	9 379 576	(1 013 950)	8 365 626

Nature

The format of the prior period Statement of Financial Performance was not GRAP compliant.

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

	2011 R	2010 R
18. CASH GENERATED BY OPERATIONS		
Surplus / (Deficit) for the Year	7 020 209	3 944 652
Adjustment for:		
Depreciation and Amortisation	318 784	277 624
Contribution to Impairment Provision	(172 678)	527 000
Finance Costs	18	-
Assets transferred in	-	(284 313)
Prior period error and rounding effect	(924 555)	1 121 201
(Gains)/Losses on sale of property, plant and equipment	16 442	
Operating surplus before working capital changes	6 258 219	5 586 164
(Increase)/Decrease in Trading account	(139 023)	(153 939)
(Increase)/Decrease in Trade debtors	129 304	477 812
Increase/(Decrease) in Creditors	116 497	(141 895)
Cash generated by / (utilised in) Operations	6 364 997	5 768 143

19. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

19.1 Fruitless and Wasteful Expenditure

To the best of management's knowledge instances of note indicating that Fruitless and Wasteful Expenditure was incurred during the year under review were not revealed.

19.2 Irregular Expenditure

To the best of management's knowledge no Irregular Expenditure was incurred during the year under review.

20. Lease Commitments

Finance Lease Liabilities and Non-cancellable Operating Lease Commitments are disclosed in Notes 8.

20.1 Leasing Arrangements

The Board as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the board exercises its option to renew. The board does not have an option to purchase the leased asset at the expiry of the lease period.

20.2 Amounts payable under Operating Leases

At the Reporting Date the public entity had outstanding commitments under Non-cancellable Operating Leases for Property, Plant and Equipment, which fall due as follows:

Office Furniture (Photocopier)	264 214	2 000
Up to 1 year	88 071	2 000
2 to 5 years	176 143	-
More than 5 years	-	-
Total Operating Lease Arrangements	264 214	2 000

The following payments have been recognised as an expense in the Statement of Financial Performance:

Minimum lease payments	20 918	11 347
Total Operating Lease Expenses	20 918	11 347

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

21. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

The Board makes provision for post-retirement benefits to eligible employees, who belong to the Government Employees Pension Fund (GEPF).

The only obligation of the Board with respect to the retirement benefit plans is to make the specified contributions. Where employees leave the plan prior to full vesting of the contributions, the contributions payable by the Board are reduced by the amount of forfeited contributions.

Sufficient information is not available to use defined benefit accounting for the pension fund, due to the following reasons:-

- (i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- (iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The total expense recognised in the Statement of Financial Performance represents contributions payable to the plan by the Board at rates specified in the rules of the plan. These contributions have been expensed.

Government Employees Pension Fund (GEPF):

No details could be provided for the fund and of any valuation performed.

22. CONTINGENT LIABILITIES

The entity has two contingent liabilities related to claims against the Liquor Board. In both instances, the claims are for legal fees. The entity is disputing the claim, on the grounds that the process followed was in accordance with proper procedure. At reporting date these matters were not resolved and the likelihood of the claim being paid was not likely. The details are as follows:

Frederick Johannes Bezuidenhout and 1 Ander v. Die Voorsitter van die Drankraad, Drankraad van die Wes-Kaap en 2 Ander Cape High Court, Case Number 22217/2009	R 50 000
Manuel Da Costa De Atougia v. The Western Cape (Provincial) Liquor Board and 2 Others Cape High Court, Case Number 22531/2010	R 75 000

23. RELATED PARTY TRANSACTIONS

Related party relationships:

Controlling entity Western Cape Department of Economic Development and Tourism

The Western Cape Liquor Board is a Public Entity under the control of the Western Cape Department of Economic Development and Tourism. All transactions with the Department are considered to be related party transactions.

Transfers from the Department of Economic Development and Tourism amounted to R 7 536 616 (2010: R 8 365 626) for the year.

Transfers to the Department of Economic Development and Tourism amounted to R 7 137 202 (2010: R 5 483 830) for the year.

All national departments of government and state-controlled entities are regarded as related parties in accordance with Circular 4 of 2005: Guidance on the term "state controlled entities", issued by the South African Institute of Chartered Accountants.

Related party transactions:

Trade and other receivables (refer to note 4)	2011	2010
	R	R
Amount owing from the Western Cape Department of Economic Development and Tourism	238 083	99 061
Total	<u><u>238 083</u></u>	<u><u>99 061</u></u>

The building currently occupied by the Board (6th Floor Waldorf Building, from where its operations are conducted) is leased in by the Department of Transport and Public Works. No rent is levied by this Department for the right of use granted to the Board.

The Board utilises the Financial Services of the Department of Economic Development and Tourism due to it not being established as a fully independent organisation.

The Board utilises the Human Resources Services, as well as the Internal Audit and Shared Audit Committee Services provided by the Department of the Premier free of charge.

24. IN-KIND DONATIONS AND ASSISTANCE

The Board did not receive any In-kind Donations and Assistance during the year under review.

25. COMPARISON WITH THE BUDGET

The comparison of the Board's actual financial performance with that budgeted, is set out in note 3.

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

26. EVENTS AFTER THE REPORTING DATE

No events having financial implications requiring disclosure occurred subsequent to 31 March 2011.

27. COMPARATIVE FIGURES

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 17).

28. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

29. STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the entity:

- GRAP 18 Segment Reporting - issued March 2005
- GRAP 21 Impairment of Non-cash-generating Assets - issued March 2009
- GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008
- GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007
- GRAP 25 Employee Benefits - issued December 2009
- GRAP 26 Impairment of Cash-generating Assets - issued March 2009
- GRAP 103 Heritage Assets - issued July 2008
- GRAP 104 Financial Instruments - October 2009

The Minister of Finance announced that the application of GRAP 21, GRAP 23, GRAP 24, GRAP 26, GRAP 103 will be effective for period starting after 1 April 2012. All other standards as listed above will only be effective when a date is announced by the Minister of Finance.

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date is not currently available.

The ASB Directive 5 paragraph 29 sets out the principles for the application of the GRAP 3 Guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued, but is not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph .12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The entity applied the principles established in the following Standards of GRAP that have been issued, but is not yet in effect, in developing an appropriate accounting policies dealing with the following transactions, but have not early adopted these Standards:

- Impairment of Non-cash-generating Assets (GRAP 21 - issued March 2009)
- Impairment of Cash-generating Assets (GRAP 26 - issued March 2009)
- Revenue from Non-Exchange Transactions (GRAP 23 - issued February 2008)

Management has considered all of the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the entity.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

All Financial instruments arise directly from operations.

The Board does not enter into any derivative transactions. The main risk arising from the Board's financial instruments are cash flow interest rate risk, liquidity risk and credit risk.

The Board reviews and implements policies managing each of these risks. There are no significant concentrations of risk. Compliance with policies and procedures is reviewed by internal and external auditors on a continuous basis.

The carrying amounts of financial liabilities at reporting date was:

	2011	2010
	R	R
Trade and other payables	400 231	283 106

THE WESTERN CAPE LIQUOR BOARD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continue)

Interest rate risk

No material risk exists due to there being no finance costs in the current finance year. The only real risk that exists is the risk of variations in cash flow due to changes in the interest rate, which will affect interest income.

The Board's income and operating cash flows are substantially independent of changes in the market interest rates.

31 March 2011	Floating Interest Rate R	Non-interest Bearing R	Total R
Assets			
Trade and other receivables	-	364 145	364 145
Liabilities			
Trade and other payables	-	399 602	399 602
Long-term Liabilities	629	-	629
Net Financial assets/(Liabilities)	629	763 748	764 376
31 March 2010	Floating Interest Rate R	Non-interest Bearing R	Total R
Assets			
Trade and other receivables	-	181 749	181 749
Liabilities			
Trade and other payables	-	283 106	283 106
Net Financial assets/(Liabilities)	-	464 854	464 854

Liquidity risk

The Department of Economic Development and Tourism, responsible for managing the Board's trading account, prevents liquidity risk by maintaining adequate banking facilities and by receiving contributions annually from the Provincial Revenue Fund.

Credit risk

Financial assets which potentially subject the Board to the risk of non-performance by counter parties consist of trade and other receivables.

An allowance for impairment is established based on management's estimate of any identified potential losses in respect of trade receivables. Bad debts identified are written off as they occur. The entity does not have any significant credit risk exposure to any single counterparty.