



Western Cape Government

Economic Development
and Tourism



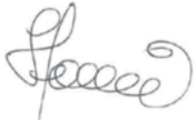
Annual Report 2011/12

Department of Economic Development and Tourism Western Cape Government

Mr Alan Winde

Minister of Finance, Economic Development and Tourism

I have the honour of submitting the Annual Report of the Department of Economic Development and Tourism for the period 1 April 2011 to 31 March 2012.



Solly Fourie

Accounting Officer

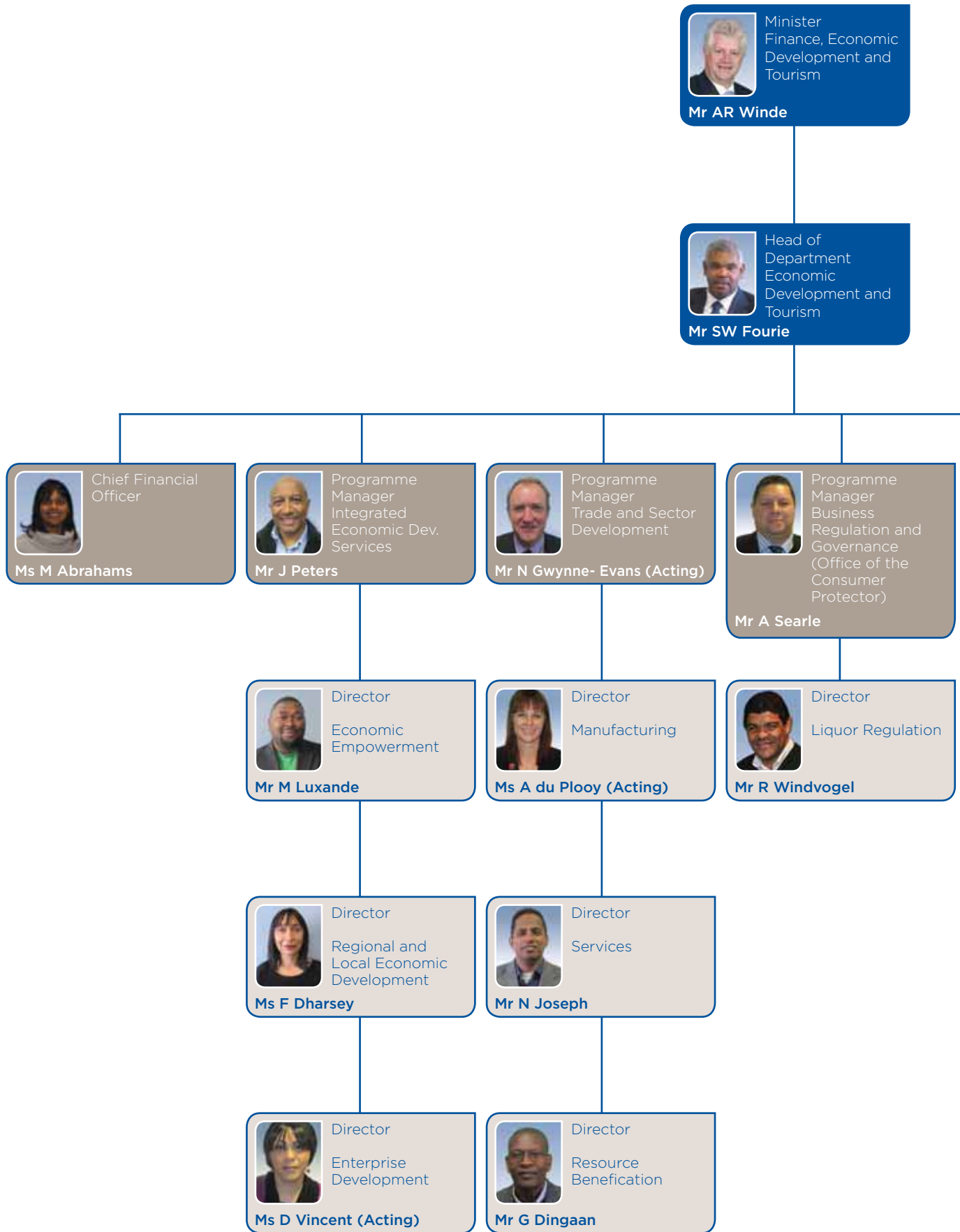
31 July 2012

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Programme
Manager
Economic
Planning

Mr B Dayimani




Programme
Manager
Tourism, Arts and
Entertainment

Ms L Schuurman




Programme
Manager
Skills
Development and
Innovation

Ms R Loghdey




Strategic
Initiatives

Ms J Johnston (Secondment)




Director
Tourism Growth

Ms L Mathopa



Director
Tourism
Participation

Ms N Ntenetya



Director
Commercial
Arts and
Entertainment

Ms M Mahona (Acting)

PART ONE: GENERAL INFORMATION

1.1 VISION

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

1.2 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 creating 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.

1.3 GOAL

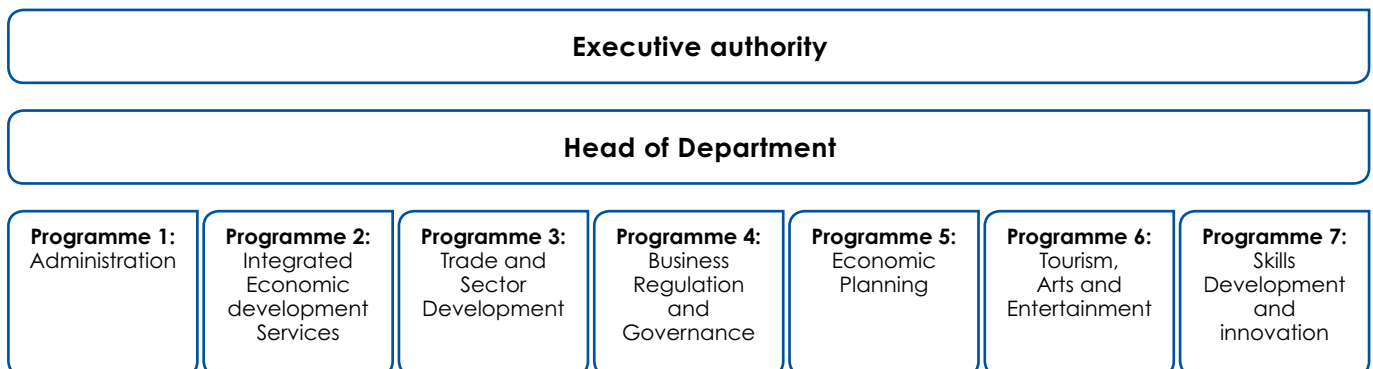
Our goal is to create the opportunities for businesses and citizens to grow the economy and employment.

1.4 VALUES

The core values the Department espouses are:

- Competence
- Accountability
- Integrity
- Responsiveness
- Care

1.5 ORGANISATIONAL STRUCTURE



Note: Please see organogram on pages 6 and 7.

1.6 LEGISLATIVE MANDATE

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

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

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

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

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

Liquor Act, 2003 (Act 59 of 2003)

The National Liquor Act 27 of 1989 ("the Act") was the applicable legislative framework used by the Western Cape Liquor Board in the absence of a Provincial Liquor Act. The Act provided for control over the sale of liquor; and for matters connected therewith.

This Act was replaced with the Western Cape Liquor Act 4 of 2008 on 1 April 2012.

The notice of repeal was gazetted on 24 February 2012 by the National Minister, Mr Rob Davies, indicating the operationalisation of the new Western Cape Liquor Act 4 of 2008.

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.

Small Business Amendment Bill, 2004

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

Municipal Systems Act, 2000 (Act 32 of 2000)

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

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

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

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

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

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

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

Preferential Procurement Framework Act of 2000

The Revised Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act No 5 of 2000 which came into effect on 7 December 2011 aligns the Preferential Procurement Policy Framework Act No 5 of 2000 with the aims of the BBBEE Act No 53 of 2003 and the Codes of Good Practice. The alignment implies that in the case of a 80/20 bid (bids less than R1 million), the 20 points will be allocated in terms of the BBBEE Scorecard of the bidder and in the case of a 90/10 bid (bids higher than R1 million), the 10 points will be allocated in terms of the BBBEE Scorecard.

1.7 ENTITIES REPORTING TO THE MINISTER

Three entities report to the Executive Authority responsible for Economic Development and Tourism. 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.

- Western Cape Investment and Trade Promotion Agency (Wesgro)

Wesgro was established in terms of the Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996). The entity is inter alia responsible for attracting investment, growing the export capability among Western Cape based firms and marketing the Western Cape as a business destination of choice.

- The Destination Marketing Organisation trading as Cape Town Routes Unlimited (CTRU)

CTRU was established in terms of the Western Cape Tourism Act, 2004 (Act 1 of 2004). The entity's primary mandate is to promote the region as a leading leisure and business tourism destination both nationally and globally.

- Western Cape Liquor Board

The Western Cape Liquor Board was established in terms of the National Liquor Act, 2003 (Act 59 of 2003). It is primarily 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 the sustainability of the industry while addressing the negative aspects of the liquor industry, whether real or perceived. (The Western Cape Liquor Board is operating within the Department.)

1.8 MINISTER'S STATEMENT

I am pleased to present the 2011/12 Annual Report of the Western Cape Department of Economic Development and Tourism.

This Annual Report presents the key milestones achieved by the Department in its quest to grow entrepreneurship, create the opportunities necessary for economic growth and job creation, provide skills development training and market our destination to investors and potential travellers.

This financial year we focused on finding innovative solutions to old problems and doing more with less by embracing the Western Cape Government's (WCG) new call to action: Better Together.

A crucial development in this regard was the launch of the Western Cape Economic Development Partnership (EDP).

The launch of the EDP, as an independent, membership-based not-for-profit company to lead, co-ordinate and drive the Western Cape economic delivery system follows an intensive study of the best economic development agencies in the world, and work on a model to suit our region.

I am confident that the EDP will deliver the results necessary to make the Western Cape a better place for everyone to invest and make a profit, to do business, get a job and earn a living.

Another achievement of the past year was the enactment of the Western Cape Liquor Act.

The Liquor Act is the most powerful tool at our disposal to reduce alcohol abuse and its related harms in our province. Through provisions in the Act imposing stricter regulations on liquor traders and more community

involvement in the granting of licences, we are taking our communities back. We have set up a call centre that deals specifically with queries related to liquor, which can be contacted on 0860 555 134.

In creating the conditions necessary for economic growth in our province, the Department launched the "Red Tape to Red Carpet Strategy" in August 2011. This strategy is designed to reduce red tape blockages in the economy so that the region becomes an easy place to do business. A fully operational call centre has been established that allows members of the public to report red tape blockages, receive assistance from staff with an extensive network of contacts within government and private institutions and organisations and where the public can enquire about support services available to SMMEs.

The call centre has recorded an 82% resolution rate. The Red Tape call centre number is 0861 888 126. In the coming year, we will ramp up our Red Tape services through a dedicated communication drive.

This year, in an effort to further streamline our operations and increase our efficiency, we amalgamated the functions associated with destination marketing into Wesgro, which became the province's single trade, investment and tourism marketing agency. This will ensure better co-ordination of the Western Cape Government's outward facing marketing initiatives, the optimisation of the Future Cape 2040 brand and the enhancement of the Western Cape's image as a world-class business and tourism destination.

The Department of Economic Development and Tourism has achieved many noteworthy job creation milestones as noted in this Annual Report. One of the biggest highlights is the Work and Skills Programme, which has thus far resulted in more than 2 370 young people being given the opportunity to receive on-the-job skills training and the potential of a new career.

Another job creation milestone was realised in our programme designed to grow the Western Cape's pool of business analysts – Capaciti 1000. This programme was launched in February 2011 with the goal of training and mentoring unemployed graduates in order to meet this industry's skills shortage. The 38 previously unemployed graduates who entered the programme in 2011 are now employed in the business analysis industry with an average starting monthly salary of R16 800. Due to the programme's high demand, 40 new prospective business analysts were given the opportunity to join the programme this year.

Over the year, we encountered a number of challenges which we will continue to work through in order to ensure that we achieve our strategic objective of creating growth and jobs in the Western Cape.

I would like to take this opportunity to express my sincere thanks to all the staff of the Department of Economic Development and Tourism for their continued hard work and support.

Mr Alan Winde – Western Cape Minister of Finance, Economic Development and Tourism

1.9 INTRODUCTION BY THE HEAD OF THE DEPARTMENT

During the 2011/12 year, the Department has made significant progress to align its strategy and role with Provincial Strategic Objective 1 (PSO 1): Creating opportunities for growth and jobs. PSO 1 has not only presented the Department with exciting challenges to adapt to the transversal nature of the implementation of the PSO 1, but has also provided many opportunities for success.

The focus on demand-led economic growth gave birth to the Western Cape Economic Development Partnership (WCEDP). The WCEDP will build effective partnerships to ensure growth, development and inclusion within the region's economy. The Future Cape 2040 contextual report was presented during the year and further research which will facilitate a shared vision and joint action plan for the regional economy was commenced.

Through the concerted efforts of the finance team, the Department achieved the highest level of performance in the province – a level 3 rating in a Provincial Treasury audit on financial management. The Department formulated strategies to maintain this rating and to continue to move towards the achievement of a level 4 capability rating.

The Integrated Economic Development Services Programme continued to contribute towards the creation and maintenance of an enabling environment for businesses to flourish by creating an entrepreneurial and enterprise culture. The capability on local government level to implement effective economic development and growth strategies was also facilitated.

The partnership with the private sector to grow the province's economy better together was demonstrated through the Department's interaction with the 13 Sector Development Agencies (SDAs). Especially in the Business Process Outsourcing (BPO) and Oil and Gas sectors, significant progress was made through attracting and facilitating employment opportunities.

Despite the decline in foreign direct investment (FDI) inflows into South Africa, the Department's implementing agency, Wesgro, succeeded in committing projects that resulted in significant investment and job opportunities. The sourcing and attraction of foreign direct investment remains one of the key platforms upon which the Department's success is based.

On the infrastructural development front, mega-projects were introduced that will have a major impact on the provincial economy. The Cape Catalyst Initiative was one such a project that will have a wide impact on the region.

The Office of the Consumer Protector contributed towards creating an enabling environment where all economic roleplayers, including consumers, enterprises and the various levels of government, could co-operate in a secure and predictable environment.

Actions prompting awareness about the new Western Cape Liquor Act 4 of 2008 were undertaken to prepare stakeholders on the main changes which would have come into effect with the implementation of the Act. The Western Cape Liquor call centre was established to improve the efficiency of the Western Cape Liquor Board and to effectively manage stakeholder relationships and bring about an improvement in the handling of licence applications.

The Economic Planning Programme completed the strategic directive for PSO 1 which made provision for the transversal management system and the establishment of cross-cutting work groups, i.e. Red Tape, Provincial Skills Development Forum, Infrastructure, Expanded Public Works, Local Economic Development Forum and the Green Work Group.

The overall objectives of PSO 1 is to facilitate a regional economic growth rate of 4.2% by 2015 and to create an enabling environment whereby unemployment in the region can reduce by 2% per annum over the period ending 2015.

Workshops with small businesses identified the origins of red tape in the procurement process and recommendations were made on how to improve efficiency in the WCG.

The Department in conjunction with CTRU played a key role in establishing tourism in the Western Cape as a multi-dimensional international industry with strong links to the creative and cultural sectors. Bids for conferences and conventions worth an economic value of R254 million and other interventions confirmed the contribution of tourism to economic growth.

The successes of the Department during the reporting year can be contributed to the combined effort of dedicated staff members and the excellent relationship with stakeholders, spurred by the enthusiasm of the Minister of Finance, Economic Development and Tourism.

2.1 OVERALL PERFORMANCE

2.1.1 Voted funds (budget management)

Table 1: Voted funds

Main appropriation R'000	Adjustment R'000	Adjusted appropriation R'000	Actual amount spent R'000	Over/Under expenditure R'000
254 414	2 656	257 070	256 089	981
Responsible minister	Minister of Finance, Economic Development and Tourism			
Administering department	Department of Economic Development and Tourism			
Accounting Officer	Mr SW Fourie			

2.1.2 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.

2.1.3 Strategic outcome-orientated goals

During the 2011/12 financial year, the Department interpreted its new mandate as articulated in PSO 1, through the following policy and strategy shifts:

Establishment of the Western Cape Economic Development Partnership (WCEDP)

In order to achieve demand-led, private sector driven government support for growth sectors, industries and businesses, Cabinet approved the establishment of a Western Cape Economic Development Agency to lead, co-ordinate and drive the economic growth, development and inclusion agenda for Cape Town and the Western Cape Province.

The WCEDP model is influenced by types of intermediary organisations and cross-sector partnerships that have emerged around the world in response to the scale and complexity of socio-ecological problems. The role of the WCEDP is to build effective partnerships for inclusive growth at grassroots, local and regional level and with national government.

The WCEDP seeks to empower local and regional government (with clear roles for national government and clear links to macro-economic policies and frameworks), the private and non-profit sectors, and communities with the opportunity to work together to improve the local and regional (and hence, the national) economy. Future Cape 2040, the goal of which is to facilitate a single shared vision and joint action plan for the regional economy, is an official Western Cape Government process that has been delegated to the WCEDP to facilitate.

Sector Development

The Department has agreed to a holistic, sector-led approach to economic development, harnessing and focusing resources not only from the Department, but from the whole of government and the private sector. This sees the Department putting its concerted weight behind the priority sectors, that it anticipates will drive the expansion

of the economy, thereby maximising sustainable private sector-led job creation. The Department has therefore re-oriented spending on generic programmes to those that maximise opportunities within the priority sectors. This includes interventions in the SMME field such as mentorship, competitiveness, and skills interventions, trade and investment support through the WCEDP, unblocking regulatory challenges through the Red Carpet unit, as well as infrastructural megaprojects through its Strategic Initiatives unit.

Strategic Initiatives

Infrastructure plays an important role in promoting sustainable economic growth and making growth more inclusive. The lack of adequate infrastructure can hinder potential growth, weaken international competitiveness and adversely affect poverty reduction rates. While there is an array of government departments which are dedicated to provision of infrastructure – housing, roads, government buildings, etc., the Department has focused the Cape Catalyst initiative on industrial infrastructure which will radically shift the growth trajectory of targeted sectors and significantly improve job creation.

Cabinet has approved the following catalytic infrastructure projects in line with the infrastructure growth policy framework as outlined in PSO 1:

- Provincial Telecoms Infrastructure;
- The Cape Town Port Precinct;
- Health Technology Park;
- The Fringe (East City Design Precinct);
- Saldanha IDZ; and
- Expansion of the Cape Town International Convention Centre.

The Department's mandate in 2011/12 was to properly operationalise the Province's Strategic Objective 1: Creating opportunities for growth and jobs. All its efforts, its programmes and projects, have been focused on this objective.

In putting PSO 1 into effect, the Department moved from an interventionist to a more facilitative function, reflecting the beliefs stated in PSO 1 that growth is driven primarily by private sector business operating in a market environment, and that 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.

Provincial Skills Development Forum

The major focus in skills has moved to partnership with business, labour, civil society and skills supply institutions to develop a long-term vision and strategy for skills in the Western Cape. The intention was also to jointly identify where the demand for skills exists and the development of short-term interventions to assist with reducing the gap between skills demand and supply.

Red Tape Reduction

A key policy introduction has been the enhanced focus on red tape reduction as this significantly influences the cost of doing business in the province. To this end a Red Tape unit was established in the Department to champion and co-ordinate all red tape related government initiatives and to improve the business regulatory environment.

Regional and Local Economic Development

The Department has moved away from identifying and developing local economic projects with limited resources towards RLED facilitation and supporting of local economic roleplayers and stakeholders to accelerate meaningful delivery based on credible economic plans.

Enterprise Development

The policy in PSO 1 puts the emphasis on supporting existing businesses rather than creating new businesses, premised on the belief that jobs are more likely to be immediately created by existing businesses than through the establishment of new ones. This has resulted in moves towards improved and enhanced relations with business, demand-led interventions with private sector buy-in, and programmes and projects that support the facilitation of job opportunities and economic growth.

Business Regulation

Previously, consumer advice and protection had focused its service delivery mainly in the Cape Metro. However, the need for support to consumers in all regions has now been implemented through a regional co-ordinator programme, which operates in conjunction with the existing advice office programme to ensure services are maximised. The new Consumer Act has focused the Department's consumer education programmes to ensure the Act can be effective.

2.1.4 Overview of service delivery environment for 2011/12

International economy

During the past year, economic growth in developed economies was not synchronised. There have been signs of the US economy gathering momentum, driven by the lagged effects of extremely loose monetary policy and expansionary fiscal policy on a sustained basis since the severe 2008/09 recession. In particular, employment was finally growing and unemployment decreased more than anticipated.

On the other hand, growth in Europe continued slowing down due to attempts at reining in high levels of sovereign debt through increasing fiscal austerity. The latter has been particularly dramatic in the case of southern European countries, which have been plunged into recession by obligations to rein in government spending sharply as a means of reducing their debt levels. In the case of Greece and Portugal, a fairly deep recession had ensued. The prospect of a default on debt repayments by Greece during 2011 and into 2012 has cast doubt on the future of the Euro and the European Union as a whole.

Even though growth has remained quite buoyant in several leading emerging markets, the fact that it has weakened significantly in key developed economies has begun to weigh down on emerging markets to a limited extent.

Risks to the global recovery included high government and household debt levels, European debt crisis, Eurozone recession, weakening economic performance of China and Asia, geopolitical risks in the Middle East, escalating oil prices, increasing food prices and food security. The biggest danger to a stable growth environment appeared to be a military conflagration between the West and Iran over the latter's development of nuclear warheads. This conflagration could cause oil prices to escalate in such a way as to plunge the global economy into renewed recession in 2012.

Huge injections of liquidity into the global economy over the latter half of the year has caused commodity prices to stop falling, and in the case of crude oil, to begin rising quite perceptibly. In the event that the global economy does not gather too much momentum, commodity prices could remain relatively restrained and this will assist in keeping inflation under control.

There is a major risk that the huge additions of liquidity into the world's financial system, to prevent the global economy from sliding into a massive new recession, could ultimately result in a sudden sharp increase in inflation (within a relatively short space of time) after the resumption of stronger global economic growth.

Interest rates in developed economies have remained close to their lowest levels in history and at severely negative levels in real terms, with the assistance of exceptionally loose monetary policy and this remained the trend in 2011.

The view of central banks and governments has been that in the face of very high levels of government debt, scope for fiscal expansion is limited and so the burden of stimulus has to come from expansionary monetary policy.

South African economy

Domestic economic growth recovered to a moderate level of 3.2% q/q in Q4 2011, from just 1.0% and 1.7% in Q2 and Q3 respectively. It is noticeable that the biggest improvements in growth took place in agriculture, mining and manufacturing, which are the most labour-intensive sectors of the economy. At 3.1%, the annual growth rate for 2011 was the highest in three years, but still less than the average annual growth rate recorded since the start of the century, viz. 3.5%. Clearly, growth of this magnitude is insufficient to accommodate the 400 000-odd new job entrants each year and so is unable to make much of a dent on a sustainable basis into the country's exceptionally high unemployment rate.

Much of the key to SA's short to medium-term economic growth outlook depends on whether or not there is an improvement in the public sector's ability to undertake the projects outlined in the a massive R846 billion infrastructural investment programme.

Retail sales growth is expected to moderate in 2012, primarily due to the fact that disposable income is expected to be eroded over the coming months as prices at the consumer level are expected to continue on their upward trajectory as witnessed recently due to higher commodity prices and the knock-on effects of rising input costs such as higher wages through the remainder of the economy.

The outlook for SA's growth this year continues to be positive due to the fact that, internationally, a number of real economic indicators over 2011 have pointed to slightly stronger global economic growth in the short term, even if in the longer term the outcome turns out to be more negative. Surprisingly strong domestic real economic indicators in 2011 suggest that growth could possibly turn out to be stronger than the current forecasts of between 2.5% - 3.0% in 2012. More generally, rationale for optimism regarding South Africa's economic growth can also be related to the opening up of growth opportunities for the development of the multitude of mineral resource and agricultural endowments in sub-Saharan Africa.

Whilst the government is likely to draw some encouragement from the acceleration in job creation, particularly in Q4 2011, it could be misleading to suggest that this is a sustained trend. Job creation tends to be fairly substantial during Q4 on account of seasonal agricultural factors and the acceleration of retail sales and tourism during the Christmas period.

Many of the recent inflationary impulses stem from the rising trend of commodity prices during the course of 2011, most importantly food and crude oil. There are also lagged inflationary pressures emanating from the depreciation of the Rand last year, although these pressures have turned out to be somewhat lighter than one might have anticipated. The fact that the Rand bounced back in recent months, assisted in stemming inflationary pressures down the line.

South Africa's short-term interest rates have been kept at 38-year lows for 15 months. Although growth in private sector credit extension remains muted, and therefore conducive to lower interest rates, SARB has expressed concerns with the sharply rising trend in unsecured lending. It is conceivable that domestically one may well see long-term interest rates at higher levels in a few years' time than they are currently. Without doubt, the risks to the longer-term trend of bond yields would appear to be more on the upside than the downside.

Western Cape economy

a) Growth in the Western Cape

Growth in the Western Cape economy mirrored the SA economy, although official data for the Western Cape for 2011 was not yet released at time of printing, initial estimates calculates the region to have grown by 3,6%. This figure represents the best annual growth rate in three years.

Encouragingly, the main driving force for the improvement in GDP growth was the manufacturing sector, particularly petroleum products, chemicals, rubber and plastic.

Furthermore, retail and wholesale trade showed modest growth while the accommodation and catering sector is estimated to have grown from -2% in 2010 to 4.1% in 2011. The financial services sector witnessed a fairly modest growth to an estimate 4.2% in 2011 and this is somewhat off its pre-crisis level of 10.4% in 2008.

b) Employment in the Western Cape

According to the Quarterly Labour Force Survey (QLFS), total employment increased by 69 000 in 2011. Encouragingly this employment figure was significantly above the 45 000 jobs that had been shed in 2010. These figures therefore represents that the region not only recovered the jobs lost in 2010 but also created an additional 24 000 in 2011.

Within the total 69 000 jobs created in the fourth quarter, 68 000 jobs were created in the formal sector whilst, 12 000 jobs were lost in the informal non-agricultural sector. This represents the second successive Quarterly Labour Force Survey during which formal employment rose but informal employment contracted and it augers well for sustainable employment creation.

Table 2: Employed by sector in the Western Cape

	Q4 2010 '000	Q1 2011 '000	Q2 2011 '000	Q3 2011 '000	Q4 2011 '000	Q3 – Q4 2011 change '000	Year-on- year change '000
Formal sector (non-agriculture)	1 361	1 366	1 414	1 387	1 455	68	94
Informal sector (non-agriculture)	177	192	178	188	176	(12)	(1)
Agriculture	122	121	100	113	94	(19)	(28)
Private households	113	105	113	119	117	(2)	4

Source: Stats SA

For overall employment, y-o-y growth was 70 000 or 3.89% y-o-y. The 3.89% y-o-y growth rate represented the strongest such growth rate in more than four years. It also suggests that employment creation growth over the past year was slightly ahead of the 3.6% y-o-y growth estimated for 2011 as a whole. The latest statistics suggest that the provincial government is ahead of its objective to create employment growth of 2% y-o-y.

2.1.5 Overview of the organisational environment for 2011/12

The year under review was not without its trials and tribulations for the Department, but also had some positive developments for the Department.

Provincial Strategic Objective 1: Creating opportunities for growth and jobs

A key factor impacting on the Department's organisational environment was the adoption of Provincial Strategic Objective 1: Creating opportunities for growth and jobs. This strategic objective required the Department to review all interventions and upscale and/or add interventions where applicable.

Critical to this, was the winding down of the Red Door Programme in favour of consolidating support services (as opposed to duplication and over-concentration of services) and providing a wider range of services to SMMEs (e.g. mentorship and supplier development). Despite initial concerns of service interruption, service delivery in respect of the aforementioned services went well through virtuous interaction with stakeholders by both the Department and SEDA. This continuous interaction laid a firm basis for the agreement between the Department and SEDA to have, during the new financial year, no less than 15 access points, from which SMMEs will access one-on-one support to either establish or grow their businesses.

Directly flowing from Strategic Objective 1, the establishment of the Red Tape Reduction unit was off to an initial sluggish start. Since the unit was additional to and above the staff establishment of the Department, dedicated staff could only be appointed after an organisational development exercise was performed. During this interim period, existing programme staff was co-opted into performing the start-up activities to enable the full functioning of the unit. By the end of the financial year six posts were approved through the organisational development process with five being filled by either existing (transferred) or contracted staff.

The Trade and Sector Development unit had a challenging year from an organisational perspective, with the rapid growth of the Strategic Initiatives unit, and the exposure to the possible restructuring of the Department. This was exacerbated by the potential implications on the programme by the Western Cape Economic Development Partnership (WCEDP) and resultant institutional restructuring.

Within Programme 5: Economic Planning, significant changes occurred during the year under review. Some functions have been moved to the Office of the Head of Department with a view to supporting the leadership role that the Department is expected to play in fulfilling the PSO 1 objectives.

Impacts from legislation

The process of the alignment of the Preferential Procurement Policy Framework Act with the BBBEE Codes of Good Practice provided great apprehension among service providers and SMMEs supplying goods and services to provincial government. Given the very short time prescribed by National Treasury for the implementation of the new regulations, swift action was required. As a key member of the provincial task team, the Department together with Provincial Treasury and Departments of Transport and Public Works and Health, conducted extensive workshops across the province to create awareness among both government officials and suppliers about the new regulations and the compulsory database registration.

Furthermore, the OCP was faced with the implementation of the Consumer Protection Act, 2008 (Act 68 of 2008). The aforementioned legislation drastically amended the transactional environment between consumers and business and more protection measures were afforded to consumers. The impact of this on the OCP was tremendous especially since the issue of consumer protection was topical and more consumers asserted their rights against business. The effect of this on the OCP was that a tremendous influx of consumer complaints was received during the year under review which placed severe strain on the existing human resources. The increased numbers therefore posed a challenge in terms of the management and resolution of consumer cases and the impact on human resources was challenging. During the year under review the OCP also developed in conjunction with the Consumer Affairs Tribunal the regulations which were required to ensure the operationalisation of the tribunal. These regulations were completed and will ensure that the tribunal is fully operational during 2012/13.

Finally, the provincial legislation to establish and implement the Western Cape Liquor Authority was finalised and proclaimed at year end. This meant that during the period under review, a significant amount of time was spent on formalising the structure as well as on organisational development processes for the establishment and implementation of the Liquor Authority for the 2012/13 financial year. During this period, staff and Labour were consulted for staff to be seconded to the Liquor Authority commencing 1 April 2012.

As a result of the above mentioned process, staff of the Western Cape Liquor Board spent a significant amount of time focusing on the implementation of the new Western Cape Liquor Act 4 of 2008 to ensure a seamless transition into the Western Cape Liquor Authority. This impacted on service delivery in the following ways:

- The Education and Awareness unit could not effectively reach predetermined Annual Performance Plan targets;
- The Administration unit was inundated with a significant amount of applications under the 1989 Act, as stakeholders were aware that the implementation of the new Western Cape Liquor Act 4 of 2008 would have made the application process more challenging;
- The Western Cape Liquor Board had to increase the amount of time spent considering and adjudicating on liquor licence applications; and
- A dramatic increase in incoming calls and visits to the offices of the Liquor Regulation unit occurred resulting in less time spent on core processes.

Consolidation of the investment, trade and marketing functions

On 7 December 2012 Cabinet granted in principle support for the stabilisation of the provincial delivery mechanism for trade and investment promotion, tourism and other functions in the Wesgro public entity, established in terms of the Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996) ("the Wesgro Act"), which will serve as the economic development marketing delivery agent within the strategic context of the EDP. On this basis, a Joint Working Committee was set up in the fourth quarter of 2011/12 between the Department, Wesgro and CTRU to effect a transition period during the 2012/13 financial year to ensure continued implementation of tourism destination marketing deliverables and the simultaneous processing of legislative requirements.

Staffing challenges

Based on the above, significant amendments needed to be made with regard to the allocation of human resources to enable the Department to meet its strategic priorities. As a result of the strategic realignment, Organisation Design was requested to conduct a significant overhaul of the Department's staffing structures and realign this to best deliver on the strategic imperatives approved by the Provincial Cabinet.

As a result of this, various units have been up-scaled thereby necessitating a substantial restructuring of staff. For example, the enfolding of the Strategic Initiatives unit left the programme with an acting Programme Manager, and resultant knock-on of acting positions along the chain.

2.1.6 Key policy developments for the 2011/12 financial year

During the year under review, the Provincial Cabinet adopted the Strategic Directive for Strategic Objective 1. The PSO 1 strategic directive provided strategic policy focus on higher growth (4.2%) and employment (2%) per annum. The above-mentioned targets are set to be achieved through the following five high level objectives:

- To determine the economic agenda and policy development in support of achieving opportunities for growth and jobs;
- To create an enabling environment that minimises hurdles to sustainable business growth, investment and job creation;
- To facilitate demand-led, private sector-driven government support for growth sectors, industries and businesses; and
- To improve competitiveness of the region through the infrastructure led economic growth.

Furthermore, the Department took a policy decision to support other provincial strategic objectives and programmes.

DEDAT's involvement, at a high level, should ideally result in the following as far as PSOs 6, 7, 8, 11 and 12 are concerned:

- Human Settlement projects are increasingly aligned/streamlined with the economic development trajectory (PSO 6);
- Environmentally sensitive projects are increasingly addressed (PSO 7);
- Social cohesion improves as a result of enhanced entrepreneurial activities (PSO 8/9);
- The Rural Development Plan reflects a consideration of economic growth, development and inclusion (PSO 11); and
- DEDAT contributes towards a corruption-free regulatory environment through promoting the work of local industry content in procurement processes, employing transparent and effective procurement processes (using e-governance) and creating a corruption-free Department (PSO 12).

2.1.7 Departmental revenue, expenditure, and other specific topics

2.1.7.1 Collection of departmental revenue

For the 2011/12 financial year, an amount of R5, 334 million was budgeted for revenue collection. This revenue was sourced from the following:

- Liquor licence fees: R5, 064 million; and
- Sales of goods and services (tourist guide registration fees): R270 000.

Budgeted revenue for liquor licence fees were collected in terms of the 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).

During the 2011/12 financial year, the Department over collected on its revenue by R5, 483 million or 102%. This over collection was primarily due to the over collection on liquor licence fees amounting to R1, 487 million, tourist guide registration amounting to R130 000 and the recovery of financial transactions from previous financial years amounting to R3, 866 million.

The total revenue collected by the Department amounted to R10, 817 million for the 2011/12 financial year.

Table 3: The table below should be used to provide a breakdown of the sources of revenue:

	2008/09 Actual R'000	2009/10 Actual R'000	2010/11 Actual R'000	2011/12 Target R'000	2011/12 Actual R'000	% deviation from target
Tax revenue	4 844	5 505	6 427	5 064	6 550	29.36
Liquor licence fees	4 844	5 505	6 427	5 064	6 550	29.36
Non-tax revenue	1 100	6 416	844	270	4 268	1 480.00
Sales of goods and services other than capital assets	397	358	494	270	400	48.15
Interest, dividends and rent on land	11	11	1		1	
Financial transactions (recovery of loans and advances)	692	6 047	349		3 867	100.00
Total departmental receipts	5 944	11 921	7 271	5 334	10 818	102.79

2.1.7.2 Departmental expenditure

The Department was allocated an original budget of R254, 414 million for the 2011/12 financial year. This budget was allocated as follows: 9% or R22, 957 million to Administration, 20% or R51, 742 million to IEDS, R63, 365 million or 25% to Trade and Sector Development, 8% or R20, 580 million to Business Regulation and Governance, 7% or R17, 032 million to Economic Planning, R62, 463 million or 25% to Tourism, Arts and Entertainment, and 6% or R16, 275 million to Skills Development and Innovation.

During the Adjustment Estimate process an additional R2, 656 million was allocated to the Department. Of this, R2, 706 million was allocated to Wesgro as part of their accumulated surplus while R50 000 was shifted to Vote 9: Environmental Affairs and Development Planning for the 17th Climate Change Conference of Parties (COP17) held in Durban.

Post adjustment estimate, the revised allocations per programme were as follows:

- a) Programme 1: Administration R20, 765 million
- b) Programme 2: Integrated Economic Development Services R51, 782 million
- c) Programme 3: Trade and Sector Development R69, 256 million
- d) Programme 4: Business Regulation and Governance R19, 021 million
- e) Programme 5: Economic Planning R14, 932 million
- f) Programme 6: Tourism, Arts and Entertainment R62, 939 million
- g) Programme 7: Skills Development and Innovation R18, 375 million

As at the end of the financial year, the Department expended 99.62 % or R256, 089 million of its adjusted appropriation. Of this annual expenditure, Administration accounted for 8%, Integrated Economic Development Services 20%, Trade and Sector Development 27%, Business Regulation and Governance 7%, Economic Planning 6%, Tourism, Arts and Entertainment 25% and Skills Development and innovation 7%.

Table 4: Final appropriation and actual expenditure

Programmes	Voted for 2011/12 R'000	Roll-overs and adjustments R'000	Virement R'000	Total voted R'000	Actual expenditure R'000	Variance R'000
Administration	22 957	(2 402)	210	20 765	20 765	–
Integrated Economic Development Services	51 742	(476)	516	51 782	51 782	–
Trade and Sector Development	63 365	6 858	(967)	69 256	68 537	719
Business Regulation and Governance	20 580	(1 800)	241	19 021	19 021	–
Economic Planning	17 032	(2 100)	–	14 932	14 794	138
Tourism, Arts and Entertainment	62 463	476	–	62 939	62 823	116
Skills Development and Innovation	16 275	2 100	–	18 375	18 367	8
Total	254 414	2 656	–	257 070	256 089	981

2.1.7.3 Transfer payments

In terms of section 38(1)(j) of the Public Finance Management Act (PFMA), the Department has obtained written assurance from all the entities before funds were transferred into their bank accounts. The written assurance certificate was further amended to ensure that besides the entity providing assurance that they have efficient and transparent financial management and internal control systems in place, they also had to provide assurance in terms of adhering to the following governance arrangements as required in the King III Report:

- a) Board of Directors
- b) Audit Committee
- c) Compliance with applicable laws, consider adherence to non-rules, codes and standards

In addition to the above, the Department has also established task teams to evaluate and review all the documentation submitted by entities to ensure that it complies with all financial requirements before transferring any funds.

Table 5: Transfers and subsidies

Name of institution and major purpose of transfer	Amount transferred R'000	Estimated expenditure as at 31 March 2012 R'000	Date when fully expended (if not fully expended by 31 March 2012)	Motivation as to why not expended by 30 June 2012	Monitoring mechanisms
Programme 1: Administration					
Households	44	44	44		
Total	44				
Program 2: Integrated Services Economic Development					
CASIDRA (Institutional Support)	4 500	4 500			MoU; regular meetings; interim reports, final report.
Cape Chamber of Commerce	350	220	30 June 2012		MoU; regular meetings; interim reports, final report.
CASIDRA (Red Door)	12 600	11 200		Project closed and difference after costs will be returned to treasury.	MoU; quarterly reports; regular meetings; site visits.
Small Enterprise Development Agency	1 000	1 000			MoU; quarterly reports; regular meetings; site visits.
Cape Craft and Design Institute	1 100	1 098	31 May 2012		MoU; quarterly reports; regular meetings; site visits.
Cape Film Commission	1 100	851			MoU; quarterly reports; regular meetings; site visits.
Cape IT Initiative	2 000	1 147	30 June 2012		MoU; quarterly reports; regular meetings; site visits.
The Business Place	500	494	31 May 2012		MoU; quarterly reports; regular meetings; site visits.
West Coast Business Development Centre	500	418	30 June 2012		MoU; quarterly reports; regular meetings; site visits.

Name of institution and major purpose of transfer	Amount transferred R'000	Estimated expenditure as at 31 March 2012 R'000	Date when fully expended (if not fully expended by 31 March 2012)	Motivation as to why not expended by 30 June 2012	Monitoring mechanisms
Western Cape Tooling Initiative	250	90	30 June 2012		MoU; quarterly reports; regular meetings; site visits.
CASIDRA (Growth Fund)	4 000 Note: Fund Allocation per year): 09/10 = R1 540 000 10/11 = R4 900 000 11/12 = R4 000 000 Full allocation to the Fund over a 3-year period = R10 440 000	Spend over the 3-year period = R7 469 229.71		Based on the applications the Fund received in the last quarter (before assessments were done), the Department was able to project that the full allocation could be spent. The assessments through the governance committees, however, found not all applications satisfactorily met the objectives and criteria of the fund and that it would be prudent to refer the projects back for additional development options, before the fund could reconsider these applications. The Department remains accountable for supporting projects that reflect sound sustainability and the most responsible use of government resources.	Monthly committee meetings (minuted and adopted); quarterly reports: final reports.
Total	27 900				
Programme 3: Trade and Sector Development					
Wesgro	14 956	14 956			Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.
South African Oil and Gas Alliance	4 400	1 924	31 May 2012	n/a	Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.
Cape Clothing and Textile Cluster	1 250	1 244	31 May 2012	n/a	Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.

Name of institution and major purpose of transfer	Amount transferred R'000	Estimated expenditure as at 31 March 2012 R'000	Date when fully expended (if not fully expended by 31 March 2012)	Motivation as to why not expended by 30 June 2012	Monitoring mechanisms
Cape Town Boatbuilding	950	950			
WC Furniture Initiative	950	919	30 June 2012	n/a	Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.
WC Tooling Initiative	950	791	31 May 2012	n/a	Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.
Cape Town Fashion Council	1 600	1 439	31 May 2012	n/a	Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.
Western Cape Clothing and Textiles Service Centre	2 100	1 015	31 May 2012	n/a	Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.
Green Technology	2 500	2 494	30 April 2012	n/a	Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.
Business Process Enabling South Africa (BPeSA)	6 300	5 200	30 June 2012	n/a	Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.
Cape Information Technology Initiative (CITI)	3 091	2 800			
Western Cape Aquaculture Development Initiative	800	800			
Western Cape Fine Food Initiative	700	302	30 June 2012	n/a	Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.
South African Honeybush Tea Association	400	358	30 June 2012	n/a	Memorandum of agreement; monitoring reports; attendance and participation at board meetings; quarterly progress meetings.

Name of institution and major purpose of transfer	Amount transferred R'000	Estimated expenditure as at 31 March 2012 R'000	Date when fully expended (if not fully expended by 31 March 2012)	Motivation as to why not expended by 30 June 2012	Monitoring mechanisms
Cape Town Partnership East City Design Initiative	2 100	2 070	30 June 2012	n/a	Quarterly reports
Cape Craft and Design Initiative (CCDI)	410	38	31 July 2012	Delay in project inception as implementation proper did not start until MOA was signed and funds received.	Progress reports
Economic Development Partnership (EDP)	1 100	100	31 July 2012	The delay in the establishment of the EDP delayed the signing of agreements.	Progress reports
Total	44 557				
Programme 5: Economic Planning					
Western Cape Economic Development Partnership	500	500		n/a	Report on successful completion of communication strategy and launch of the WCEDP.
Total	500				
Programme 6: Tourism, Arts and Entertainment					
Households	866	866			Signed submissions approving funding by delegated authorities; original and/or certified proof of registration and student fee account; signed HEI bursary and FET learner agreements weekly/ monthly work progress report.
Destination Marketing Organisation	35 439	32 339	31 May 2012 Accruals to be paid after year end of R2.1 million		Quarterly assessment meetings; quarterly monitoring reports.
!Khwa ttu San Culture & Educational Centre	500	–	30 June 2012	All the nodes have identified areas where the funds will be used for and are now ready for implementation by end of June 2012.	Quarterly meetings; quarterly reports; site visits and ad-hoc meeting when necessary.
False Bay Ecology Park	1 000	200	31 December 2012	The Implementing Agent appointed by the City will prepare a detailed business plan for the R1 million, and implementation is set to begin on the new financial year of the City.	Quarterly reports; participate in the Project Advisory Committee (PAC) meetings; site visits.

Name of institution and major purpose of transfer	Amount transferred R'000	Estimated expenditure as at 31 March 2012 R'000	Date when fully expended (if not fully expended by 31 March 2012)	Motivation as to why not expended by 30 June 2012	Monitoring mechanisms
Cape Nature	1 000	–	31 December 2012	They have finalised the appointment of two service providers to work on specialised aspects of the Island's biodiversity. With the help of the Department of Transport and Public Works, they have put out a tender in April 2012 for the construction of the walkthrough interpretation centre. All work on the project should commence by June 2012 and scheduled for completion by 31 December 2012.	Quarterly reports; call ad hoc meetings as and when necessary; site visits; and will form part of the Steering Committee in charge of implementation.
Cape Craft and Design Institute	4 000	4 000			Quarterly monitoring reports and attendance and participation at board meetings.
Cape Film Commission	3 100	2 851	30 June 2012 The balance on the account has already been allocated to the LEARN2 Project and others, but CFC are awaiting the relevant reports in order to effect the payment.		Quarterly monitoring reports; signed attendance registers; attendance and participation at board level and board minutes.
Cape Music Industry Commission	555	555			Quarterly monitoring reports.
PANSA	220	220			Quarterly monitoring reports and attendance and participation at board meetings.
VANSA	220	220			Quarterly monitoring reports and attendance and participation at board meetings.
Total	46 900				

Name of institution and major purpose of transfer	Amount transferred R'000	Estimated expenditure as at 31 March 2012 R'000	Date when fully expended (if not fully expended by 31 March 2012)	Motivation as to why not expended by 30 June 2012	Monitoring mechanisms
Programme 7: Skills Development and Innovation					
BPESA	500	500	30 June 2012		
Learning Cape Initiative	5 500	3 450	30 June 2012		DEDAT will monitor the progress on a monthly basis by conducting monthly meetings and request monthly reports on progress.
South African Oil and Gas Alliance	550	550	March 2013	Savings were due to the learning materials development cost being less on completion and two students leaving the training. The funds will be used for improved and relevant industry specific learning materials being developed for artisans in other scarce skills trades such as boilermaking and mechanics.	FET college and DEDAT provides oversight with industry guidance to ensure quality and relevance of material development. Regular meetings will be documented.
CASIDRA	6 200	4 530	31 August 2012	Learners placed with host companies will only complete their experiential training at the end of July 2012.	DEDAT will monitor the progress through monthly meetings with CASIDRA wrt to expenditure.
Western Cape Tooling Initiative	150	144	30 June 2012		
Cape Peninsula University of Technology	1 400	570	October 2012	Two tranche payments were made. The bulk of the funds are due to the second tranche payment made in March 2012. This second tranche is for the preparatory work required with businesses for productivity improvement interventions in 2012/13.	DEDAT drives the bi-monthly meetings and monthly reports with and from the project team. Site visits to the businesses and focus groups.
Total	14 300				

2.1.7.4 Public entities

Western Cape Investment and Trade Promotion Agency

The Agency had a successful year, including the decision to “merge” CTRU into Wesgro that was carried out at the end of the financial year under the auspices of the EDP. Wesgro plays a critical role within SO 1, both in terms of contributing to the creation of an environment for economic growth, as well as directly attracting investment and

thereby job creation into the Western Cape economy. In addition, the export facilitation function has provided support to numerous exporters, thereby building firm level capacity, and injecting export revenues back into the economy.

Destination Marketing Organisation (trading as Cape Town Routes Unlimited)

According to the United Nations World Tourism Organisation (UNWTO) World Tourism Barometer 2012, international tourist arrivals increased with 4%, recording 980 million international tourist arrivals in 2011 compared to the 935 million in 2010. South Africa reported a growth and received 8 339 354 tourist arrivals in 2011, a 3.3% increase on the 8 073 552 international arrivals in 2010.

The total spend from tourists visiting South Africa during the third quarter (October – December) of the 2011/12 financial year was R17.9 billion which represents a 3.5% growth in spend compared to R17.3 billion in 2010/11.

During the third quarter (October – December) of the 2011/12 financial year tourist arrivals for the Western Cape was 315 527 compared to 341 628 recorded in the same period for 2010/11. The total foreign direct spend from tourists visiting the Western Cape during the third quarter of 2011/12 was R4.1 billion compared to the tourist spend of R4.5 billion in 2010/11. The number of bed nights in the Western Cape was 3 581 467 million compared to 4 119 251 million for the same period in 2010/11. The decline in the tourism figures for the 2011/12 financial year for the Western Cape is directly related to the hosting of the Soccer World Cup™ which took place in 2010.

The Western Cape is the Business Tourism Hub of Africa. For the year under review, Cape Town Routes Unlimited have secured a total of 20 bids which will be hosted in Cape Town, attracting an estimated 20 510 attendees and totalling an estimated economic impact of R254, 145 million.

* Please note that the full-year figures for tourism international arrivals to the Western Cape and foreign direct spend as well as domestic arrivals are not yet available.

Western Cape Liquor Board

The Western Cape Liquor Board is housed within the Sub-programme: Liquor Regulation and is not operational as a full fledged public entity.

2.1.7.5 Asset management

Table 6: Capital assets

	Value R'000
Capital assets: Cash additions	
Furniture and office equipment	310
Computer equipment	1 472
Other machinery and equipment	25
Software	267
Cash total	2 074
Major assets >R5000: Non-cash additions	
Furniture and office equipment	–
Computer equipment	–
GG motor vehicles	110
Other machinery and equipment	–
Total	110
Grand total	2 184

Table 7: Current assets

Current assets Item	Value R'000
EQP <R5 000: Office furniture	312
EQP <R5 000: Computer hardware and systems	93
EQP <R5 000: Office equipment	62
Photographic equipment <R5 000	
EQP <R5 000: Domestic equipment	2
EQP <R5 000: Paintings, sculptures and ornaments	
Software and other intangible assets <R5 000	
EQP <R5 000: Audio visual	17
EQP <R5 000: Crockery and cutlery	
EQP <R5 000: Cellular phones	
EQP <R5 000: Linen and soft furnishings	
Security equipment mat mov	
EQP <R5 000: Kitchen appliances	9
EQP <R5 000: Bags	
EQP <R5 000: Advertising boards	
EQP <R5 000: Sport and recreational equipment	
Total	495
Non-cash additions	
Other machinery and equipment	
Computer equipment	
Total	
Grand total	495

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

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

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

- 69% is in good condition;
- 26% is in a fair condition; and
- 5% is in bad condition.

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

No major maintenance projects have been undertaken during the period under review. Assets are maintained in accordance with the manufacturers' service booklet, and as required.

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

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

Projects that will be carried forward to the forthcoming financial year

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

New projects that will commence in the forthcoming financial year

Assets will be replaced in terms of the asset management policy.

2.2 PROGRAMME PERFORMANCE

2.2.1 PROGRAMME 1: ADMINISTRATION

2.2.1.1 Purpose

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

2.2.1.2 Strategic objectives

A critical component of Strategic Objective 1: Creating opportunities for growth and jobs, is to ensure a corruption-free, efficient public sector.

In this regard, the Department undertook a clear policy of prioritising the maintenance of its level 3 financial capability model rating while migrating to a level 4 maturity level on the capability model framework.

The Financial Management Capability Maturity Model gives effect to section 18 of the PFMA and drives the improvement of the financial capability of departments and in doing so, progress towards a level 3+ auditable organisation. The Financial Governance Review and Outlook assessment of 2011 was structured to support PSO 12 and thereby underpin the goal of "being the best Regional Government in the world" in terms of financial governance practices.

During the 2011 assessment year, the testing performed by Provincial Treasury encompassed a full spectrum audit with a more focused analysis within the various financial management functions. The Department's co-operation and adherence during the assessment was commended and achieved the highest level of financial performance in the Province, a level 3 rating.

From this positive point of departure, the Department looks ahead to the new financial year and has commenced formulating strategies to maintain a level 3 rating and achieve a level 4 capability rating.

Further to the above, in terms of communication, the strategic objective was to ensure both vertical and horizontal alignment to empower the needs of the people of the Western Cape by providing access and connectivity of departmental activities.

2.2.1.3 Service delivery objectives and indicators

Fraud Prevention and Awareness Campaign 2011/12

In accordance with PTI chapter 3, Departments are required to have an approved Fraud Prevention Policy within a two-year cycle – current cycle commenced: 1 April 2010 and concludes 31 March 2012. In meeting this requirement, the Departmental Fraud Prevention Policy and Response Plan is adopted and driven by the Departmental Governance Committee as contained in their terms of reference. The roll-out of the Fraud Prevention Awareness Programme is delivery against that Plan and also asserts the Department's position with regards to the eradication of corruption.

In lieu of this, this programme also supports PSO 12 which advocates the safeguarding of public funds and value for money initiatives. The Department executed their annual fraud prevention and awareness programme on 26 March 2012 with an agenda that focused on relevant and current issues facing the staff of the Department.

During the conception phase of the programme, it was envisioned that a critical success factor of the programme would be the receptiveness of Departmental staff to the information expounded to them at the event and their subsequent fraud intelligence – evident in decreased or no fraud cases. Although this measurement of success

would only be auditable during the new financial year, Departmental responses were all-round positive and more informed on the topic.

Key for the **Management Accounting** unit's work is to ensure that spending is in accordance with the forecast projections and to ensure that the Department's budget has been accurately allocated to achieve set performance standards. In this regard, the unit ensured that the actual under spending was within 1% of the voted budget as well as ensuring that an average monthly deviation from the expenditure forecast was below the 7% benchmark.

At the beginning of the financial year, the Departmental 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 2011 the Financial Accounting unit maintained its rating as performing on an aggregate of level 4.

The **Supply Chain Management** unit managed to achieve all targets for the period under review. We were successful in creating an enabling environment within the Department through the development of standard operational documents and processes for the procurement of goods and services. The environment within supply chain management changed consistently during the period primarily due to the new requirements from our National and Provincial counterparts.

This prompted a review of all our processes to adequately address the change in an effort to eradicate non-compliance whilst maintaining an environment that allows for efficient processes and tangible, value for money outcomes. This being said, we were only able to achieve these outcomes through constant communication with senior management and other staff supplemented with training programmes aimed at encouraging adherence and change management.

Outcome indicator		Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 1.2: Financial management					
2.1	Financial Capability Model Rating	3.6	3+	3+	
Sub-programme 1.3: Corporate services					
3.1	Awareness Rating	0	65%	–	As a result of the change in the communication strategy for the province, the impact study to measure this rating would have been fruitless.

2.2.1.4 Performance indicators and targets

The Administration Programme has been extremely successful in the execution of its functions. During the financial year, much of the emphasis was placed on improving its financial capability model rating. In this regard, the output performance for the programme is as follows:

A key success for the **Management Accounting** unit was to develop a prioritisation tool to assist managers in allocating resources available to the Department. This prioritisation tool factors in the stated objectives, and ranks each project based on its ability to meet the stated outcome targets identified by through the various strategic sessions and Strategic Objective 1: Creating opportunities for growth and jobs.

In terms of the **Departmental Accounting** unit, the International Standards on Auditing requires 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.

The Department is committed to a 30-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 30 days. This turnaround time was achieved without any governance standards being sacrificed.

The **Supply Chain Management** unit was afforded an opportunity by the Provincial Treasury to conduct a virtuous cycle assessment that was aimed at providing the Department with a degree of assurance that all our supply chain management structures, governance, controls and processes are aligned to legislation and within the spirit of the PFMA. The outcome of the assessment identified the Department as operating at a level 3 organisation for supply chain management. The report also identified some success stories, such as payments consistently processed within 30 days, the completeness and accuracy of the asset register and the adequacy of the controls within the supply chain management environment.

Another breakthrough for the unit was the compilation and issuing of the Simple Guide to Procurement for Suppliers. It has been a consistent problem within the Department and government that suppliers don't really understand the procurement process that government has been implementing. Another area of concern was that suppliers did not fully understand what documents are required from them when tendering and the content of these documents. We thus decided to develop an easy guide to assist suppliers when they procure from the Department. This was issued to all our suppliers and we just recently received requests from more suppliers for this guide. It is envisaged that we will measure the impact of this guide during the new financial year.

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 procedures for the performance information were improved to ensure the completeness and accuracy of the evidence. To ensure the effective, efficient and economical use of state funds, the unit improved on the procedures identified to address the value for money principle within the procurement structure.

The unit also identified improvement measures to contribute to the financial management capability model by identifying key software that will enhance the current method of auditing. This will have a significant impact on the financial management capability model rating. It will also enhance the reliability of information that is audited by the Auditor General.

The unit also identified and conducted special audits to ensure the completeness and accuracy of other information in the Annual Financial Statements which will be audited by the Auditor General. This has had a significant impact on the financial management capability model rating for the unit.

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.

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 standardised business cards, letterheads and the application of official logos.

As part of its major responsibilities, the Department published and distributed the Annual Report 2010/11 (in the three official languages namely Xhosa, English and Afrikaans) to stakeholders and members of the public in the Western Cape.

The table below reflects the achievement against predetermined objectives for the 2011/12 financial year:

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 1.2: Financial management					
2.1	Percentage compliance to the implementation framework	70%	80%	80%	
2.2	Number of financial efficiency interventions implemented	4	4	4	
2.3	Actual expenditure as percentage of adjusted	99%	98%	99.62%	
2.4	Average monthly deviation from monthly cash flow forecast	10%	7%	6.59%	
2.5	Number of IYMs submitted by PT due date	12	12	12	
2.6	Number of QPRs submitted by PT due date.	4	4	4	
2.7	Ratings received from Internal Control against level 4 criteria	3.2	3+	3+	
2.8	Updated Financial Manual	100% Updated Financial Manual	100% Updated Financial Manual	100% Updated Financial Manual as well of the Financial Management Pocket Booklet	
2.9	Percentage accuracy and completeness of Asset Register	100%	100%	100%	

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
2.10	Average number of days for the processing of payments to creditors	15 days	Payments to creditors within 30 days	Payment to creditors within 20 days	Improved efficiencies within the payment process resulted in the Department being able to reduce the period taken to pay creditors.
2.11	Unqualified audit report with no other matters	Unqualified audit report with other matters	Unqualified audit report	Unqualified audit report	
2.12	Number of Auditing of Performance Information Reports	18 reports	24 reports	24 reports	
Sub-programme 1.3: Corporate services					
3.1	Number of Departmental events co-ordinated and supported	15	20	29	The Department's needs for assistance with events exceeded the target because the Programmes became more aware of Communication's role to add value to their events.
3.2	Number of Annual Report copies copied in English	300	300	300	
3.3	Number of Annual Reports copied on CDs in Afrikaans (300) and Xhosa (300)	600	600	600	
3.4	Number of official documents translated	37	20	28	There was a greater awareness of the language policy and it resulted in the need for more documents to be translated.
3.5	Number of Departmental newsletters	2	4	4	
3.6	Maintenance of and update of the Cape Gateway website	12	12	18	New requirements with regards to the placement of procurement related matters led to more regular updating of the website.

2.2.2 PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

2.2.2.1 Purpose

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

2.2.2.2 Strategic objectives

Provincial Strategic Objective 1 (PSO 1), increasing opportunities for growth and jobs, is underpinned by key pillars, *inter alia*, **the creation of an enabling environment** that removes hurdles to business growth and increasing economic investment, and that government support to the economy be demand-led private sector-driven. The Programme's activities play a significant role in contributing to the creation and maintenance of an enabling environment.

For the Department to contribute significantly to the realisation of achieving an average of 4.2% economic growth and employment growth of 2% per annum, a key component of its strategy is that of an enabling business environment.

The **enabling environment** is a broad concept and in the widest definition can comprise all factors external to business, including the policy, legal, and regulatory framework; governance and institutions; physical security; the social and cultural context of business; macroeconomic policies; access of firms to financial and business services; and the availability of physical and social infrastructure services. A narrower definition refers to the extent to which government policies and practices set the rules of the game for business and influence, positively or negatively, the performance of markets, the incentives to invest, and the cost of business operations.

For the purpose of focus and based on limited resources at the disposal of the Programme, the following aspects were selected as key areas affecting the **creation and maintenance of an enabling environment**. Firstly, the creation of an entrepreneurial and enterprise culture, secondly, the development of strong local government (and local role players) in terms of the capability of developing and implementing effective economic development and growth strategies, and thirdly, the reduction of red tape within the regulatory environment.

2.2.2.3 Service delivery objectives and indicators

In achieving the stated outcomes which underpin an enabling business environment, the various sub-programmes within the Programme executed selected strategies. Cumulatively all these strategies have ultimately contributed to an environment encouraging the development and growth of businesses.

The indicators of the extent to which the Programme contributed to a conducive environment for business development and growth included the establishment of new businesses, the expansion (in terms of productivity, employment, competitiveness, etc.) of existing businesses, value of opportunities realised by businesses, improved capacity of municipalities to create an enabling environment. The key interventions that delivered on these outcomes were:

- Business and sector support

The partnership network that comprised the Small Enterprise Development Agency (SEDA), The Business Place and the West Coast Business Development Centre did well in addressing the needs of small business clients both in terms of services offered and geographic spread of such services. A total of eleven strategically placed service points (e.g. support offices or branches) spread across the province meant that potential and existing small businesses could access quality support.

Linked to these physical support points of access, the Programme provided allied support services that included mentorship, procurement support (through the Enterprise Development Fund), supplier development and incubation. The four sectors that benefited significantly from the Programme's support comprised of tourism, film, craft and ICT. The combination of these interventions undoubtedly enabled the Programme to deliver on its stated outcomes.

- Municipal Capacity Support Programme

The Municipal Capacity Support Programme, through the Sub-programme: Regional and Local Economic Development, aimed to build awareness with municipalities on the priority of sound LED plans, strategies and actions, build the capacity of municipalities around economic development issues to strengthen their competency to deliver for LED, and to encourage an increase in the adoption of strategic economic projects resulting in more empowered enterprises within emerging sectors in regions. Significant to this programme of municipal support was the on-going engagement through the regional and provincial LED forums, the provision of access to LED tools (e.g. PACA, Genesis and BR&E) and the IDP assessments.

- Red Tape Reduction

The meaningful outcome for red tape reduction for business is the reduced cost and ease of doing business. The sub-programme embarked upon exciting and ground-breaking projects that did indeed deliver on this outcome. Significant contributors to this were the Business Helpline which handled over 380 cases and boasted a higher than 80% resolution rate and the establishment – in partnership with the Cape Chamber of Commerce and Stellenbosch University – of Africa's first Mediation and Arbitration Centre. The Centre will enable businesses to settle litigation within a much shorter period and at a fraction of the cost of pursuing matters in the courts. Research and surveys conducted by the sub-programme resulted in far-reaching positive spin-offs for business. Examples include the decision by the City of Cape Town to initiate a process which will result in changes to its planning and land use processes and procedures, the adoption by selected municipalities of re-looking at their planning and building regulations units. In only considering these two examples, doing business in these municipalities will become easier and more cost-effective.

Outcome indicator		Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 2.1: Enterprise Development					
1.1	Number of new businesses established	720	300	498	Culmination of support through the Partner Network saw a significant number of businesses established.
1.2	Number of businesses expanded or sustained	294	600	723	Culmination of support through the Partner Network, Enterprise Development Fund and the Mentorship Programme saw a significant number of businesses expanded and sustained.
1.3	Value of funds leveraged	R22m	R2m	R4.2m	The number of loans secured through the Partner Network has significantly contributed to the target.
1.4	Value of economic opportunities for businesses realised	R48m	R10m	R29.5m	The number of tender opportunities secured through the Partner Network has significantly contributed to the target.
1.5	Number of jobs facilitated/sustained	2 893	1 500	4 806	The culmination of new and existing businesses supported through the Sector Programmes, the Enterprise Development Fund and the Partner Network that facilitated sustained jobs.

Outcome indicator		Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 2.2: Regional and Local Economic Development					
2.1	Number of local coalitions provided with access to improved capacity/opportunity to contribute to growth, given a more conducive enabling economic environment	6	6	6	
2.2	Value of funds leveraged	R85 000	R2m	R5.2m	Due to a vigorous and targeted marketing effort by the Department there was an increase in applications to the Fund and more projects could be approved.
2.3	Number of businesses expanded/sustained	2	10	5	The indicator could not be measured and verified in the allocated time for submission for the Annual Report as our outcomes are measured six months from funding support provided – the period has not elapsed for the remaining businesses yet.
Sub-programme 2.3: Economic Empowerment					
3.1	Number of economic opportunities realised	111	100	81	Tender opportunities with values of less than R10 000 were excluded from the evaluation.
3.2	Value of economic opportunities for business realised	R71m	R10m	R45.7m	Many of tenders that were realised came from the construction industry where the value of tenders is much higher.
3.3	Number of businesses expanded/sustained		20	20	
Sub-programme 2.4: Management					
4.1	Functioning Red Tape High Level Reference Group	N/A	1	0	During the 2011/12 financial year Cabinet resolved that an Economic Development Partnership (EDP) had to be established. The Department would play a pivotal role in the establishment and operationalisation of the EDP. During the process of defining the role and function of the EDP it was noted by the Department that the composition of the EDP members would in fact be made up of industry and business leaders. This was the same category of leaders which the Department had in mind for the High Level Red Tape Reference Group. As a result it was decided by the Department that this High Level Red Tape reference group would be located within the EDP. It is envisioned that this group will be established and become operational during 2012/13.
4.2	Number of Red Tape-related issues resolved	N/A	5	5	

2.2.2.4 Performance indicators and targets

Supporting entrepreneurship and empowerment

Entrepreneurship and businesses thrive where the environment is supportive of new ventures and enhancing the growth and sustainability of existing businesses. Resources and budgets will always be limited and hence the Programme commenced an approach of forming partnerships and strategic alliances with value-adding SMME support organisations and agencies. Not only has this led to the start of an increased network of access points from which entrepreneurs can obtain support, but also significantly increased the support services linked to the distinct development phases of small businesses (e.g. start-up, nascent and growth phases).

Individual targets were significantly exceeded due to various reasons. These included, the expansion of the network of partners which led to wider coverage and hence more participants in the Programme's projects, the imminent closure of the Red Door Programme which resulted in small businesses being referred to partner organisations which offered a wider and deeper range of services (e.g. incentives), the combining of support to targeted groups (e.g. co-operatives) benefited from the increased pool of funding of both the Programme and SEDA, and programmes turning out to be more popular than expected.

The services made possible through the Programme's partnerships with other organisations included:

- *Walk-in support:* The partnerships between SEDA, The Business Place and the West Coast Business Development Centre meant that small businesses, both existing and potential, could access both one-on-one support from expert business advisors and the array of incentives, grants and other services offered by national government support organisations. These centres played a huge role in the Programme meeting and, in some cases, significantly exceeding its output targets. The walk-in centres were also very active in supporting the growing number of co-operatives both in terms of starting up and productivity improvement.
- *Mentorship:* Existing businesses, especially the growth-oriented ones, benefited hugely from the rich pool of mentors that were able to assist regarding productivity and operational improvements, market development and expansion and dealing with the challenges of growth.
- *Enterprise Development Fund:* This pilot project proved its worth by impacting positively on the growth and sustainability of small businesses that participated in the programme. So much so that the Fund will be rolled-out in full in 2012/13 in partnership with the National Empowerment Fund (NEF).
- *Business association network:* With over fifty business associations – both formally and informally constituted – in existence in the province, the Programme seized this opportunity to reach the members of these associations. This opportunity enabled in excess of four hundred and fifty members of such associations to access support services that included financial management, productivity improvement and basic business and management skills.
- *Sector support:* The Programme focused on selected sectors for the 2011/12 year, namely ICT, craft, film and tourism. Support services ranged from basic start-ups to growth-oriented sector-based businesses. Demand was overwhelming with more than one thousand five hundred potential and existing small businesses assisted with basic business skills, operations and strategic management.
- *Procurement promotion:* The Programme's approach here was two-fold. Firstly, working towards making small businesses fully aware of where to seek opportunities, and secondly, building capacity of small businesses to access such opportunities. The former commenced with the complete overhaul of the Provincial portal (website) which saw projected target hits being exceeded more than tenfold. The portal now boasts access to all national, provincial (Western Cape) and local government, and public utility companies (e.g. Eskom and ACSA). Regarding the latter, initiatives that included the Provincial Supplier Open Day (in collaboration

with Provincial Treasury and Transport and Public Works) and supplier development, provided much needed capacity building to small firms that had secured blue-chip procurement opportunities with state and other corporate entities.

Building strong local authorities

Strong local and regional authorities are critical in both the development of competitive regions that attract and retain investment (both through large and small business) and the creation of an enabling environment for businesses to grow and impact positively on regional economic growth and employment. The Programme, through its Regional and Local Economic Development (RLED) sub-programme, played a pro-active role in supporting local authorities with their economic planning and implementation.

The Municipal Capacity Support Programme of the RLED's sub-programme aimed to build awareness with municipalities on the priority of sound LED plans, strategies and actions, build the capacity of municipalities around economic development issues to strengthen their competency to deliver for LED, and to encourage an increase in the adoption of strategic economic projects resulting in more empowered enterprises within emerging sectors in regions. The significant projects undertaken through this programme included:

- *Demand-driven capacity building interventions as requested by municipalities:* Three interventions were undertaken. In the Cape Winelands district municipalities benefited hugely from the roll-out of the Business Retention and Expansion (BR&E) programme. This BR&E exercise was done in collaboration with the South African Local Government Association. The result of this exercise is that municipalities gain a hands-on understanding of the factors affecting businesses and the real needs of businesses within their areas. This is critical when embarking on initiatives to grow the local economy and ultimately reduce unemployment. The City of Cape Town also agreed to a BR&E exercise in the Atlantis area. Valuable data and information was gained that will be used in the compilation of the City's IDP and other strategic economic development documents. The second initiative was undertaken in the West Coast to enable LED officials to understand the dynamics, challenges and approaches to attracting (domestic and international) investment into local areas. With projects such as the Saldanha IDZ and renewable energy emerging as both catalytic and significant in the region, opportunities to attract complementary or allied industries to the region need to be seized. The third initiative was the first of its kind to be done in the Western Cape. The LED Diagnostics Municipal Assessment tool is an invaluable instrument used to gauge the sustainability and responsiveness of municipal plans to local priorities, identify challenges and gaps in LED and measure the capacity and ability of local authorities to plan and execute economic development. Twenty seven such assessments were completed and will serve as both a baseline of municipal capacity and a context within which municipal interventions are planned and executed.
- *Business climate survey:* Through a partnership with the Development Bank of South Africa (DBSA) and SALGA, the Theewaterskloof Municipality became a candidate for a business climate survey. This survey was a first in a non-metro area in the Western Cape. This municipality identified as an economic priority, the creation of an enabling environment for business. The result of the survey generated valuable economic intelligence that could assist roleplayers with making informed decisions that impact on economic development and growth and contributes to effective public-private processes. The outcome of the survey has also fed into the municipality's sector development plans – and ultimately the strategic economic plan for the region.
- *Access to RLED tools:* The GIZ menu of tools to support local economic development is arguably the best-known and most utilised. The Programme extensively investigated and explored the relevance of these tools and decided to select the ones most appropriate for Western Cape municipalities. One such tool, Genesis, is a strategy development process that is executed in close collaboration with private sector roleplayers within the local region. The tool identifies and prioritises catalytic projects with a strong leverage factor for local economic development and the achievement of strategic alignment among local stakeholders. The Breede Valley Municipality accepted the Programme's offer as being a pilot in the Western Cape. The result

of this exercise is that the municipality has been able to gather valuable information to the development of its strategic economic plan for the region.

- *LED Forums:* One of the areas identified to assist local government to create a more substantial enabling environment for local enterprises to achieve inclusion, development and growth, is to strengthen co-ordination between municipalities and with provincial government and strategic partners in economic development. To this end, the sub-programme lent support to district LED Forums and hosted a provincial LED Forum. District LED Forums are co-ordinated by district municipalities, while the provincial LED Forum, that occurs bi-annually, is co-ordinated by this Department. Two successful provincial LED Forums were held in September 2011 and January 2012 with the objective of driving a provincial economic agenda, supporting local economic agendas based on priorities, capitalising on networks, strengthening co-operative governance and supporting the development of mechanisms for improved intergovernmental relations that successfully delivers. Local LED Forums were supported across all five districts in the province. These platforms has allowed the Department to build trust, credibility and networking opportunity with municipalities that can only strengthen relations.
- *Collaboration with other Provincial Strategic Objectives (PSOs):* Finally, the sub-programme supported the transversal management process for better integration and delivery by playing a substantial role in assessments of 30 IDPs of local government and the IDP Indaba processes of PSO 10, the CRDP nodes of PSO 11 and contributions to the PSDF Review process of PSO 7.

Reducing the cost of doing business

The regulatory environment as a contributor to an enabling environment has been identified in SO1 as deserving special and dedicated attention. The establishment of the Red Tape Reduction unit during the second quarter of the year has, despite a slow start, quickly made inroads unblocking and smoothing processes that inhibit business development and growth. The success of this sub-programme can be described in terms of the following:

- *Business Support Helpline:* Despite very limited communication and marketing this project dealt with more than 380 cases comprising requests for information (regarding starting, running or growing a business) and requests for the sub-programme to intervene where processes have been delayed or ground to a halt and ultimately affecting business. The resolution rate was higher than 80% and included cases like business regulations, planning (municipal) regulations, business registration, immigration permits (for business purposes) and government incentives. Selected significant success stories include the unblocking of a heritage impact assessment application which threatened to delay a multi-million renewable energy investment, the unblocking of an impasse with a municipality that negatively affected the construction of a shopping centre, and the conclusion of the sub-division of land which enabled an investor to obtain loan funding for the erection of a factory and thus securing one hundred jobs.
- *Improving procurement processes:* The sub-programme conducted a survey using four focus groups of small businesses that have engaged with provincial government processes. The results gave valuable insight into the factors that increase the cost to small businesses transacting with provincial government. Flowing from this survey were two significant developments. Firstly, the provincial procurement website has been completely overhauled to enable business owners and entrepreneurs to navigate the site far easier and access much more information both on the opportunities and where to seek assistance. The new site also allows business to obtain information on procurement opportunities available in all three spheres of government and public enterprises. Secondly, PSO 12 – Becoming the best run regional government in the world – has prioritised the business process analysis and development relating to procurement for 2012/13. This means that all recommendations contained in the report will be used in streamlining the procurement procedures for small businesses when doing business with government.
- *Improving municipal processes:* It is generally accepted that businesses cannot ignore the requirements and regulations of local authorities. However, it is these processes, regulations and procedures that play a huge role in

business development and growth and attraction of investment into local areas. The sub-programme's research project, "The cost of doing business", prompted municipalities to take note of the regulatory environment which they create and how this impacts on the ability of new and existing businesses to develop and grow. As a partner in this research and accepting the seriousness of the findings, the City of Cape Town's Mayor declared "war on red tape". The City has as one of its interventions on red tape reduction commenced with an in-depth study of the processes and procedures within their planning and land use directorate. The improvement of these processes will greatly reduce the time and cost of businesses engaging with the City regarding property registration, rezoning and land use. Coupled to this and as a result of the sub-programme's advocacy for the reduction of red tape, five municipalities have endorsed the programme which included becoming part of the Business Support Helpline, analysing (with the intention of improving) their planning and land use processes and adopting a transversal approach (across all departments or functions) to reducing red tape.

- Improving business-government interaction:** A critical component in the reduction of red tape is the interaction with business. Ignoring business means, inter alia, having programmes that do not address the real needs of business and not securing the buy-in from business for successful implementation. The sub-programme secured a valuable partnership with Business Western Cape which assisted in the roll-out of the Business Support Helpline by offering a red tape reduction helpdesk and provided inputs to the activities of the sub-programme. This partnership extended further to the establishment of Africa's first centre for mediation and arbitration. Spearheaded by the Cape Chamber of Commerce and the University of Stellenbosch and supported by the Programme, this centre will result in litigation processes between businesses being drastically reduced both in terms of time and cost, and ultimately resulting in, once again, a reduction in the cost of doing business.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 2.1: Enterprise development					
1.1	Number of existing SMMEs supported	2 879	4 009	5 201	The overachievement is due to successes experienced by the various business support and the transition from Red Door to the Partner Network and sector support organisations.
1.2.1	Number of new SMMEs developed (through Red door)	5 263	660	2 097	Due to the pending closure of the offices, services had a high uptake in the second and third quarters.
1.2.2	Number of new SMMEs developed (through partnerships)	N/A	800	3 515	The expansion of the Partner Network through adding seven additional centres has significantly improved performance.
1.3	Number of existing co-operatives supported	130	30	171	The inclusion of co-operatives of the Partner Network combined with the Red Door has resulted in the overachievement.
1.4	Number of new co-operatives developed	152	20	112	The inclusion of co-operatives of the partner network combined with the RED Door has seen the overachievement.
1.5	Number of walk-ins	20 269	10 000	21 194	The number of walk-ins has escalated due to the interest from the Partner Network (boosted by the seven centres established to take over the Red Door) and Red Door.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
1.6	Number of businesses assisted through the legacy mentorship programme	51	50	51	The overachievement is due to the inclusion of additional businesses due to potential attrition rates on the programme.
1.7	Number of businesses assisted through the Red Door	8 091	990	1 324	Business shown considerable interest due to the pending closure of the centres.
1.8	Number of businesses assisted through partnerships	N/A	1 500	1 689	The establishment of the seven Enterprise Development Centres by SEDA saw an increase in support to existing businesses.
1.9	Number of businesses assisted through the Enterprise Development Fund	N/A	19	19	
1.10	Number of businesses assisted through sector development	N/A	1 150	1 760	The interest in craft based businesses has significantly boosted the number of businesses supported.
1.11	Number of businesses assisted through the Business Association Network	N/A	300	469	The demand for training has been significant due to the need for structured and practical small business courses.
Sub-programme 2.2: Regional and Local Economic Development					
2.1	Number of economic development projects supported at local and regional level	1	5	9	Due to a vigorous and targeted marketing plan there was an increase in applications and more projects could be approved.
2.2	Number of capacity building interventions to municipalities	2	3	3	
2.3	Number of LED Forums supported	5	6	6	
2.4	Number of Business Climate projects	N/A	1	1	
2.5	Number of local coalitions with access to RLED tools	N/A	2	2	
Sub-programme 2.3: Economic Empowerment					
3.1	Number of target group specific opportunities identified	1 104	500	612	The number of available target group opportunities has increased with the launching of the Provincial Tender Site. Procurement opportunities were also distributed at the workshops held for the amended Procurement Regulations.
3.2	Number of target group specific interventions	116	100	115	As a result of the demand for information regarding the Procurement Regulations the target was exceeded.
3.3	Number of private engagements to support economic empowerment	7	10	12	This target was exceeded due to the increased enquiries from SMMEs for assistance.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
3.4	Number of inter-departmental and municipal engagements promoting economic empowerment	20	17	19	Due to an increase in the request for workshops on the Amended Procurement Regulations the unit has overperformed.
3.5	Number of visits/hits to the E-Opportunities Portal	N/A	500	6 993	Due to strategic collaboration with DoTP: E-Innovation the new-look internet-based site was launched at the end of June 2011. An increase in the number of marketing sessions has led to an increased awareness of the E-Opportunities Portal.
3.6	Number of stakeholders/partners presented on the E-Opportunities Portal	N/A	10	13	This target was exceeded due to the increased enquiries from SMMEs for assistance.
3.7	Number of business assisted through the Supplier Development Programme	N/A	100	100	
3.8	Number of business-government interventions	N/A	17	21	Due to strategic collaboration with DoTP: E-Innovation the new-look internet-based site was launched at the end of June 2011. An increase in the number of marketing sessions has led to an increased awareness of the E-Opportunities Portal.
Sub-programme 2.4: Management					
4.1	Number of Red Tape-related issues identified	N/A	10	10	
4.2	Appointment of Intergovernmental Task Team	N/A	1	1	

2.2.3 PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

2.2.3.1 Purpose

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

2.2.3.2 Strategic objectives

The key strategic objectives of SO1, being the creation of an enabling environment for growth, and reduction of employment, provide the key pillars for this programme. This is enabled by the provision of strategic leadership to key sectors of the economy, and exemplifies the approach by the Department. Through its interaction with the Sector Development Agencies (SDAs), the Department is able to work widely across the Province, and maximise the opportunities from collaborative and demand led private sector involvement.

The Department has carved out a model based on global regional best-practice that has seen the province taking the lead nationally with its 13 Special Purpose Vehicles. This has led to deep partnerships with the private sector that attracted membership of 2 062 firms, considerably exceeding its target of 1 755 and providing focused upgrading programmes to 70 businesses. Through the BPO and oil and gas initiatives, the new call centre employment opportunities were higher than expected with six new investments attracted, with SAOGA exceeding their targets in terms of the number of repair orders received at 10 large projects.

Towards the Strategic Objective of focusing on facilitating infrastructural development, the programme has identified key game-changing megaprojects as a critical focus to change the trajectory of the provincial economy. To this end, the Cape Catalyst Initiative will be used to leverage and unlock large-scale economic infrastructure projects. This thrust coincides well with the growing national emphasis where infrastructure as a strategic imperative has been increasingly acknowledged as a critical leverage to enhance the competitiveness of local, regional and national economies. The specific focus of the Cape Catalyst Initiative within the Department is on economic infrastructure as it relates to the Department's sectors of emphasis. In certain instances, the Cape Catalyst economic infrastructure projects have a much wider impact on the region beyond that of specific industries, such as broadband. The Department understands that as the projects progress through the various pre-feasibility and feasibility study stages, there is a possibility that a number of the projects may not see fruition because it may not be feasible or viable. These project preparation processes are vital in ensuring that government resources are invested wisely and realise the objective of making the Western Cape more competitive.

2.2.3.3 Service delivery objectives and indicators

The industry development and trade and investment promotion functions lie at the heart of any regional economic development and industrial policy as stated in the five-year plan, and in its guiding position with Strategic Objective 1. This flows into the 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.

The programme met its target of supporting 13 sectors, including the successful facilitation of its two new SPVs, being the GreenCape Initiative and the Western Cape Fine Foods Initiative (WCFFI).

A key output measure of demand-led growth 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 confidence in the direction taken by the WCG and the SPVs as well as the trust in the corporate governance by both members as well as outside funders particularly at a national level. While the ambitious target was not met, due largely to the delays in the jobs fund applications, the SPVs generally reflect high levels of funding commitment from both inside and outside of government, leveraging more funding than was put in by the WCG at R29 million.

The key targets that have been exceeded are the number of people trained, and number of firms supported with pro-active interventions. The latter 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 that are willing to lead transformation and growth within the sector.

In terms of contributing to SO1's core objectives, strong results were reflected in both the BPO and oil and gas sectors, facilitating 4 200 BPO employment opportunities and attracting R871 275 000 of oil and gas projects.

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 the number of joint interventions regarding the investment pipeline. This draws on the generic marketing strengths of Wesgro, and the in-depth sector knowledge and leadership of the SDAs.

In terms of the targets, Wesgro has met and exceeded nearly all its key indicators, with foreign investment coming in at R1,2 billion, well over the lower band of R742 million, and employment facilitated being at 1 313, very close to its upper target band.

Infrastructure and game-changing megaprojects is one of the five key thrusts of the Western Cape's Strategic Objective 1. The Strategic Initiatives unit forms a critical component of this infrastructure action pillar, and 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. They exceeded their target for the number of projects facilitated, working with 10 projects in total.

Outcome indicator	Baseline (actual outcome) 2010/11	Actual performance against Target		Reason for variance	
		Target 2011/12	Actual 2011/12		
Sub-programme 3.1: Trade and Investment Promotion					
1.1	Value of investments and trade	R1.517bn	R742m to R1.409bn	R1.241bn	
1.2	Number of jobs facilitated/sustained	325	742 to 1 409	1 313	
Sub-programme 3.2: Sector Development					
2.1	Number of jobs facilitated/sustained	3 900	3 200	4 245	BPO – Three primary reasons exist for the overdelivery: (1) The dti have gained traction and international visibility (2) Global trends underpinned by issues in other international BPO destinations have positively influenced the attractiveness of the region (3) Increased budgets for marketing the region from PGWC and other non-funded marketing collateral was developed.
2.2	Value of funding leveraged	R27m	R95m	R29.438m	The Department had anticipated significant funding flows via the jobs fund, with more than R1 billion worth of projects applied for. The job fund process is more than one year behind.
2.3	Value of investments and trade	R780m	R1.7bn	R1.879bn	BPO – Very successful investment promotion activities by the SPV (BPeSA) lead to overachievement of value of investment target.
Sub-programme 3.3: Strategic Initiatives					
3.1	Number of jobs facilitated/sustained	–	–	–	
3.2	Value of infrastructure investment	–	–	–	
3.3	Western Cape Branding and Vision Framework	–	–	–	

2.2.3.4 Performance indicators and targets

Sub-programme achievements

The sub-programmes cover the three sector portfolios, being manufacturing, service and resource-based sectors, as well as Wesgro and the Strategic Initiatives unit.

Wesgro

Given recent developments in the global domestic economy, the target for the 2011/12 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 R742 million and an upper band of R1, 409 million.

Despite the decline in FDI inflows into South Africa by 77%, Wesgro has come in close to its upper band set for its 2011/12 financial year. Wesgro committed six investment projects, with the investment amount totalling R1 241 000 resulting in the creation of 1 313 jobs. In addition, Wesgro exceeded their target for the number of new investment projects in the pipeline, recruiting 65 projects against the targeted 35. 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 target of the number of companies assisted with export, with the Agency assisted 742 companies against the targeted 350.

Manufacturing sectors

The manufacturing sectors have performed above expectation in most key deliverables, meeting and exceeding in a number of cases their membership targets, and meeting the objectives of SO1 through ensuring the environment is conducive for job creation. The manufacturing sectors have the highest multipliers of all industries, due to their deep backward and forward linkages into all aspects of the economy. It is for this reason that the manufacturing sectors are seen as the "engine of growth" of any economy, and is why the national Industrial Participation Action Plan (IPAP), is predominantly focused on driving competitiveness across its core sectors. The Programme is focused on facilitating competitiveness across all manufacturing sectors, and thereby fostering an environment in which employment can be sustained and even grown in certain instances. Global competition is, however, fierce and in many instances such as tooling and furniture, the focus has been on rebuilding the industrial capability that have been decimated by foreign competition and neglected by policymakers.

Clothing and Textiles

The introduction of the new national incentive scheme, which was conceptualised by the clothing clusters, has led to a massive injection of investment into the clothing industry, and the long-awaited turnaround of the clothing industry. This has gone hand in hand with the restructuring of industry that sees an entirely new model of relationships between retailers and manufacturers. The close co-ordination of the three SPVs that represent distinct portions of the clothing value chain has borne fruit, and has seen the Cape Clothing and Textile Cluster leading the relationship with the retailers, the Cape Town Fashion Council making inroads in promoting the critical role of local fashion as a key differentiator across the industry, and Clotex uplifting the capacity of the CMT sector, to engage more systematically with the industry. An exciting initiative has been the launch of "WOZA" by the CTFC – "Wear Only ZA". This will be the Department's spearhead within the industry to encourage pride in the industry, and to encourage procurement by the retailers. It has been estimated that more than R300 million has been injected into the clothing sector in the Western Cape over the past year.

Tooling

The appointment of a highly experienced CEO has ensured that the operational activities of WCTI have ramped up, and programmes are now in full swing. The TDM Powered Programme continued during this year and the 75 students were successfully placed in companies for on-the-job training. The TDM Powered Programme, facilitated by the WCTI sees more than R5 million invested in skills development in the sector each year. Funds were also leveraged from the Transport Education Training Authority (TETA) to provide assistance and support to members for training in advanced technologies like CAD/CAM and other advanced CNC courses. WCTI also managed to secure funds for the implementation of the "Upskilling and Mentorship" programme for lecturers in conjunction with a senior Dutch expert under the PUM programme as well as the piloting of the Total Quality Management and Business Improvement Programme in four member companies.

The WCTI also facilitated an exciting new initiative being the launch of a pilot Tooling Design House. Closer collaboration with Wesgro enabled the WCTI to co-host delegations from the USA and Turkey that resulted in opportunities to manufacture components for Defy's local and export market. Members participated in a Dutch outward mission that was facilitated during March 2012. The information gathered in the benchmarking survey carried out during the year will assist in the development of future strategies for the tooling industry.

Furniture

The Western Cape Furniture Initiative (WCFI) developed a strategy in line with its commitments to support job creation, social dialogue and improve competitive industrial performance. The successful hosting of the "Western Cape Furniture Design Competition" resulted in a request to host a national furniture design competition in Cape Town. A skills programme, funded by the national Department of Economic Development, was launched during the year, with a funding commitment of over R5 million over three years. Twenty members participated in the Business Processes Improvement Workshops (BPIW) as well as the Technology Improvement Programme that were funded by the Department. Ten companies participated in the Senior Netherlands (PUM) Expert Programme that focused on providing support and assistance for the development of the executives in these companies and another PUM expert were appointed to assist with the mentoring on institutional development of the WCFI. The engagements with Wesgro resulted in outward missions to Angola, Italy, Spain, Nigeria and Ghana. WCFI hosted the first Proudly Capetonian Furniture Exhibition at the Old Biscuit Mill in Woodstock. The level 3 cabinet-making course was completed and the 12 students received their certificates at an award ceremony at the River Club in Observatory.

Oil and Gas

Undoubtedly the most important achievement of the year was the inclusion of oil and gas within the national IPAP. This has been the result of several years of lobbying, and given the major challenges in working with the State-Owned-Enterprises (SOEs), will in all likelihood provide the biggest chance for addressing some of the major infra-structural challenges facing the industry. Despite experiencing ongoing challenges within the Port of Cape-Town, it managed to attract a substantial amount of large projects exceeding the expectation of seven for this financial year. The 10 large projects brought in just under R1 billion in industry orders. These figures exclude the smaller fabrication work and services that local firms are providing, that adds an estimated additional R1 billion to the local economy.

During this period DCD-Marine launched the opening of the R60 million A-berth repair facility and is thus poised to market the facility internationally and contribute significantly toward job creation and economic growth. At the same time Saldanha has emerged as a viable alternative to Cape Town, attracting a small number of high-value projects such as the Celtic-Sea rig. Although the Department has not contributed or funded skills development in this financial year a significant amount of funding has been leveraged with 70 students placed within industry and approximately 200 students being trained.

After a vigorous membership drive, SAOGA-funded membership rose above expectation to 145 companies. During this financial year SAOGA commissioned a highly detailed rig marketing study, part funded by the Norwegian government. The findings have identified potential opportunities along the both the East and West coast of Africa, as well as a potential niche opportunity in the five-yearly certification that all oil-related vessels have to undergo.

Boatbuilding

The major achievement of the year, was the inclusion of boatbuilding in the IPAP, thereby becoming a national priority. This will see a significant investment into the Western Cape boatbuilding sector, which accounts for 80% of the industry. Membership rose slightly over the year, which was an achievement in what are still challenging conditions for local boatbuilders, although this membership will switch over to the new national Marine Industry Association of South Africa (MAISA) structure, which is in the process of taking over the responsibilities of the former Cape Town Boatbuilding Initiative. Robertson and Caine, South Africa's largest boatbuilders won the international Boat of the Year award for the Leopard catamaran range, that has seen billions of rands injected into the provincial economy over the past decade. A South African company has won Boat of the Year every year since 2006. Winners include Francis Boats, R & C and Voyage Yachts. It is stated that the South African industry is considered to be the second largest producer of luxury cruising catamarans globally and has a strong niche foothold in this subsector with a strong international reputation. This partly explains the resilience of the sector in the face of a global recession that has decimated many other regional industries.

CTBi has developed and continue to publish the Annual South African Boating Directory, the most comprehensive document, listing all the various companies, bodies and associations that impact and function within our sector.

CTBi has represented the industry and focused on increasing our export sales and international profile by representing our manufacturers at a number of international boat shows annually, most notably the Miami International Boat Show where we have hosted a South African Pavilion for a number of years.

An inbound mission resulted in a number of Cape Town companies forming a partnership with the Nigerian government, and successfully signed a contract to build various classes of specialised vessels.

GreenCape

Much of the work of the GreenCape over the past financial year has been focused on building relationships and partnerships between national and provincial stakeholders in the renewable energy sector, and lobbying for higher local content. Through these relationships, it has managed to influence a key policy shift in the national renewable energy programme. GreenCape argued that a higher local content requirement in the tender was a crucial factor in developing a local manufacturing industry. After many iterations of this position, the local content requirements for wind and solar power plants was increased significantly, and national government has committed to increasing the local content target with every round of procurement. This has made a significant impact on the number of potential manufacturers considering establishing renewable energy manufacturing facilities in the Western Cape.

Significant progress was made in partnership with the City of Cape Town on releasing land for the establishment of a "green" manufacturing hub that was conceptualised by the Programme, in order to enable firms in the renewable energy components industry to co-locate and derive benefit from such co-location with potential suppliers and partners. The first investors are likely to commit to building a wind tower manufacturing facility in this precinct in the second quarter of the new financial year, comprising investment of at least R200 million.

During discussions with various industry stakeholders – including Eskom, SAWEA, the Solar PV Industry Association (SAPVIA) and the German co-operation agency GIZ – a case was made for the establishment of a dedicated centre for training technicians for the renewable energy industry. Such a centre would represent collaboration not only between the universities and FET colleges in the Western Cape, but also include institutions from the Northern and Eastern Cape, and the SETAs. The Cape Peninsula University of Technology (CPUT) has agreed to make land at their Bellville Campus available for the centre – Senate approval has been received. In addition, DHET has in principle committed to funding the construction of the training facility and laboratories, while the operational cost will in all likelihood be jointly carried by DHET, the Department of Science and Technology and the Department of Energy. Additional revenue will be obtained from course fees, which will be set to fully recover the variable costs of training from industry. The institutional arrangements are currently the subject of negotiations with DHET and other stakeholders, but it is envisaged that SARETC will be a national institution affiliated to DHET, and service mainly the Western, Northern and Eastern Cape provinces. This will entail an investment estimated at some R100 million.

The solar water heater (SWH) manufacturing industry has been in decline in the province, despite the subsidy scheme introduced by Eskom to stimulate the market for SWHs. GreenCape has tried to support efforts at stimulating the SWH market, such as engaging with banks and the insurance industry on financial products that would remove the financial barrier to families taking up this technology. It has also engaged SABS on the testing and certification of SWHs, arguing that the current "system testing" approach presented a major barrier for manufacturers to getting their products on the market. GreenCape is currently working on a review of the testing regime, and will propose that component testing be instituted.

The Services Sectors

The Programme has conceptualised a framework for the services sector that sees a nexus of the BPO and financial services sectors, built on a platform of ICT skills. A skills shortage is viewed as the binding constraint across the services sectors, with successful pilots being run over the year. The big question moving ahead is the extent to which these programmes can be expanded, and will take the support of key roleplayers across all spheres of government, academia and the private sector.

Information and Communications Technology (ICT)

In the case of the ICT sector, two major industry blockages; namely, access to skills and access to seed finance for local technology start-ups, received a noticeable boost in the 2011/12 year. Through the launch of the Angel Hub, close to R1.1 million was raised as early stage angel investment for our high-growth technology start-up firms to accelerate growth. Cumulatively, the SDA overachieved on both its membership to 224 stakeholders and funding leveraged targets by 12% and 40% respectively, largely as a result of its industry-driven programmes in skills and enterprise development areas.

The lack of skills continues to dominate the industry agenda and has become a flagship programme offered by Citi, the Department's SDA, through the "Capaciti 1000" programme. In 2011, Citi initiated and co-partnered on seven skills projects across the business analysis, programming and IT infrastructure disciplines, partnering with UCT, UWC and CPUT. In addition, it implemented a comprehensive recruitment database of unemployed individuals, which assists with recruitment services to firms. As a direct result of Citi's programmes, online recruitment portal and partnership on internship programmes, more than 50 jobs were facilitated in IT during the 2011/12 period, representing a placement rate of 90%.

In 2011, the Department and the ICT SDA piloted its Business and Systems Analysis skills and internship programme, partnering with several of the major IT employers in the province. The end of year results of the pilot programme have proved to be a resounding success, with requests being made for the national roll-out of this unprecedented programme.

In total, 38 previously unemployed graduates were trained in a one-year high-end critical skills programme, with 37 graduating in an Honour's level Postgraduate Diploma (NQF Level 8) in Business and Systems Analysis. At the time of this report, more than 90% of the candidates are now employed. Given that the majority of these candidates were unemployed at the programme start, they are now earning an average starting salary of more than R16 000, signifying an average salary increase of 175% from when they earned an internship stipend income.

BPO

The expansion of the BPO sector is strategically important to the Western Cape as it creates jobs for young people, the demographic with the highest rates of unemployment. It has become an important avenue for youth to become work ready and gain skills. It is noteworthy that through the promotional efforts of Business Processes enabling South Africa (BPeSA), the sector created 4 200 new call centre seats and exceeded its target of 1 700 jobs servicing offshore markets by more than 100%. Targeted value of investment of R250 million has been exceeded by more than 300%, with total value of R1 billion. Targets have been exceeded by more focused marketing of the value proposition of the region, increased cost drivers in traditional BPO regions and issues around quality of other traditional BPO destinations. To maintain the accelerated growth in the region, greater focus will be required on supply side issues, particularly around the development of a broad skills pipeline for the industry. In the absence of a broader based skills pipeline, issues that are inhibiting the growth of other BPO destinations will negatively affect this region.

The financial services front and back-office capability too has demonstrated signs of significant strength. Sanlam now services the Indian market from this region. The Department will focus, in addition to its traditional strength of voice BPO, on financial services from the back office.

The Resource-based Sectors

The resource-based sectors boast an annual turnover of R72.7 billion and generate 250 000 jobs supporting the economic viability of remote, rural and coastal communities. As such, the resource-based sectors played an important role in helping to achieve the objectives set out under the Strategic Objective 1, namely, creating opportunities for growth and jobs.

The Resource Beneficiation unit in the year under review focused on growing cluster membership to support industry-led approaches and solutions that allow the sector to quickly adapt to changes, respond to emerging issues and seize new opportunities. In addition it promoted a more conducive business environment by supporting access to new markets and to pilot solutions to new and on-going issues in order to help it adapt and remain competitive. The resource-based sectors reflected a strong performance, meeting all their targets. The key focus areas for the year were the fine foods, honeybush and aquaculture sectors.

Fine Foods

The Department performed an important role in supporting the Western Cape Fine Food Initiative (WCFFI), the industry organisation established to achieve the following:

- Stimulated greater partnerships with key stakeholders including government such as Provincial Department of Agriculture, national Department of Trade and Industry (dti), other support agencies such as the Development Bank of Southern Africa (DBSA) and retail outlets such as Woolworths;
- Accelerated its Food Retail Development Programme by intensifying talks with local retail outlets such as Pick n Pay for shelf space for member firm's products;
- Expanding its membership base to 50 firms;
- Compiled an industry status report, which reflect the opportunities and challenges faced by the value chain;
- In collaboration with the Southern Africa (SA) Trade Hub, a preparatory Export Development Workshop was co-ordinated to expose food companies to the requirements of the US market. Based on this initiative, the dti and SA Trade Hub assisted 11 companies to participate in the Washington Fancy Food Show 2011. Funding support to the tune of R203 640 was obtained from the SA Trade Hub for this venture; and
- Established an alliance with the regional organisation Association Afrique Agro Export (AAFEX), the food initiative from West Africa in order to expose firms to the African market.

Honeybush

By supporting the honeybush industry, through the South African Honeybush Tea Association (SAHTA), the following was attained:

- Appointment of an industry desk officer, which aided the increase in industry promotion and broadened its membership base to 30;
- An increased demand for honeybush since 2008 coupled with price improvements and the demand has remained constant despite the global financial downturn;
- A status report was prepared, which provided a holistic view of the industry's growth and development potential. The outcome was that with the necessary support by government and partners, the industry through its value chain can increase production, grow export markets and develop its brand; and
- Close synergies were established with the Eastern Cape Provincial Department of Economic Development and Environmental Affairs (DEDEA) to collaborate on key interventions such as permits for wild harvesting, support for community co-operatives and establishing nurseries.

Aquaculture

Led by the abalone subsector, the aquaculture sector in the Western Cape is realistically projected to show triple digit growth in the next 10 to 15 years. This growth potential and the fact that the jobs are being created are mainly focused in the rural and coastal areas. Since the Western Cape Aquaculture Initiative's formation

in November 2010, it has built solid partnerships with all the provincial and national departments tasked with aquaculture development. Clustering efforts has furthermore encouraged leading sector players to request WCADI in conjunction with DEDAT to facilitate projects in the abalone and shellfish subsectors that will create rural and coastal jobs and contribute to the creation of an enabling environment. The Western Cape Aquaculture Initiative succeeded to leverage R800 000 from the Department of Agriculture.

The Programme managed to intervene on key challenges hamstringing the development of the sector such as lack of credible data; over-regulated business environment; lack of market information/information on opportunities; shortage of sites available for aquaculture; and a lack of animal health support services. In response to these challenges the following was achieved:

- The Programme developed a Sector Intelligence Report that is underpinned by credible primary information and which serves as a valuable tool to identify potential opportunities and challenges to support the growth of the sector;
- In collaboration with WCADI, published the first Regulatory Audit in South Africa to contribute to the creation of an enabling environment by making recommendations to streamline the Aquaculture Regulatory Framework;
- In conjunction with WCADI, published the first Aquaculture Market Analysis and Strategy/Programme in South Africa to inform a production approach that is market lead;
- Assisted in the identification and location of possible Aquaculture Development Zones (ADZs) to address the lack of suitable sites available to promote the growth and development of the sector;
- Assisted a company that specialises in aquaculture animal health services with funding to extend its services to abalone companies to promote inclusivity and enhance competitiveness of companies; and
- Facilitated investment of more than R80 million into the sector.

Strategic Initiatives

Cape Catalyst

With respect to performance against the outputs, Cape Catalyst had targeted six infrastructure projects in 2011/12. However, with the increasing focus on infrastructure by national, provincial and local spheres of government as a means to unlock competitiveness, the sub-programme had four additional projects added to its portfolio which are currently in various investigative stages of development. The overall list of projects, including progress made, is as follows:

- *Western Cape Broadband Initiative:* The Western Cape Broadband Strategic Framework which encompasses the overall broadband principles, role of government, a vision statement and a proposed set of projects, was ratified by Cabinet in June 2011. On the basis of Cabinet support, detailed business cases were developed, with each of the business cases detailing the specific future vision pertaining to the project, identifying the current status quo, and analysing the gap between "to be" and "as is" status. Each of the business cases provided a strategy as to how to optimally close the gaps and examined the financial and socio-economic implications. In the development of the plans, a broad scope of stakeholders, including provincial departments, national government, government entities and municipalities were engaged and consulted. The business cases, which dealt with connecting government, connecting households, international connectivity, connecting communities, connecting business and low-cost computing, culminated into an overall master implementation plan. This was endorsed by Provincial Cabinet towards the end of 2011/12 and will serve as the basis to move towards pre-implementation stage in 2012/13, which will include a rigorous National Treasury process in providing the necessary due diligence and institutional structures required for implementation. The Western Cape Broadband Initiative will bring about cost efficiencies for the Western Cape Government and municipalities in the province, ensuring increased effectiveness and improved government service delivery to its citizens, and ultimately significantly impact upon economic growth in the Western Cape.

- *Saldanha Industrial Development Zone*: The Saldanha Industrial Development Zone will be a purpose built industrial estate that is linked to the Port of Saldanha and which include a secured customs control area. The first draft of the feasibility study was tabled at a public meeting in Saldanha Bay at the end of October 2011, where the three spheres of government indicated their unified support for the project. Ministers Winde and Bredell shared the public platform with the Mayor of Saldanha Bay and the Director General of the Department of Trade and Industry (dti). After incorporating responses to the comments received during the 30-day public comment period and some additional work, the study was finalised early in 2012.

The finalised feasibility study and three-year business plan initiated the process of lodging the final application for designation of the Saldanha Bay IDZ with the dti. In order to meet the dti's requirements, a detailed Market Study and Strategic Marketing Plan were completed as part of the detailed Business Plan for the first three years of operation of the proposed IDZ. Approval was received from Provincial Cabinet in February 2011 to go ahead with the initiation of the application process to the dti, including support to register the Saldanha Bay IDZ Licensing Company (Lico) as the legal vehicle that will lodge the official application.

2012/13 will see the finalisation of some issues regarding the specific land for the proposed IDZ and the application for designation will be lodged with the dti in the first half of the new financial year.

- *Cape Health Technology Hub*: This project aims to establish a Health Technology Hub in the Pinelands/Ndabeni area, co-locating health-technology related organisations and businesses in order to improve the value-chain and competitiveness of the health technology industry in South Africa and enhance health security in the country and on the continent. Initiated by the National Department of Science and Technology, the Health Technology Hub represents an integrated project with national, provincial and municipal government buy-in and involvement. To this end, the City of Cape Town, in April 2011, provided in-principle support in availing City property towards a portion of the site and a project manager was appointed to oversee the development of the feasibility study. Furthermore, with the guidance of DST, an international expert was brought to South Africa to provide additional inputs in the development of the park. The feasibility study will be finalised in 2012/13 with necessary Cabinet and municipal approvals being sought thereafter.
- *Expansion of Cape Town International Convention Centre*: The objective of this project is to extend the capacity of the Cape Town International Convention Centre to allow additional and larger conventions, events and exhibitions to be hosted in Cape Town and the Western Cape. In 2011/12, the Department of Economic Development and Tourism, together with the Department of Transport and Public Works, obtained Cabinet support for the expansion of the convention centre. The Department has co-ordinated support and assistance with respect to the provincial involvement in the project and it is expected that 2012/13 will see the finalisation of the Convenco business plan as well as the tabling of the Amendments of the Convenco Bill (Act 8, 2000).
- *The Fringe*: The aim of the initiative is to develop the Eastern CBD area into a design-focused hub to serve the design, creative and media industries and allow for the incubation of emerging talents and nurture of new innovations. An urban design framework (UDF) was commissioned, together with related studies on bulk rights, property, transport, detailed architectural work and a study on bulk infrastructure. The UDF aimed to provide a point of coherence for a series of projects in the site (taking into account NMT, lighting pedestrianisation, greening, parking, recycling, street furniture, amenities, public art, and general urban branding, wayfinding and information points). This framework may be further refined based on City of Cape Town's inputs and processes.

Another initiative undertaken within the Fringe was to develop an overall business case which looks at the catalytic infrastructural investment which is needed to unlock the potential of the Fringe. The scope of work included a socio-economic impact study of the overarching package of plans, demonstrating the full economic benefit of the projects together and their "multiplier effects" and provided the rationale for co-ordination of the Precinct. This work will be further elaborated upon in 2012/13 and will be framed within the Provincial Design Strategy which will sync with the successful Cape Town bid for the Design Capital.

- *Port of Cape Town Precinct:* This initiative entails the co-ordination of and a mechanism for a detailed and integrated planning phase in the "Port Precinct" of the City of Cape Town. Functional land use and future development of the area and the interface between the City and the Port of Cape Town requires a well-informed planning process which includes in-depth research on the current status quo and potential future scenarios of the precinct as well as stakeholder dialogue with interested and affected parties. Since the project initiation in April 2011, the initial scoping and identification of interested and affected parties has taken place. The Status Quo report was completed successfully and provides insight into the future plans of the Cape Town Port, the City and Province within the Port Precinct. The Status Quo report revealed what land was critical to the Cape Town Port core business and what land could be better utilised in partnership with the City and Province. Research will be finalised in 2012/13 and provide a basis for co-ordination and discussion with relevant parties with Transnet being the pivotal player.
- *Cape Town Air Access:* The Cape Town Air Access project seeks to increase airline access into and out of Cape Town International Airport, specifically focusing on the establishment of new routes and increasing frequencies on existing routes into Africa, Asia and South America. In 2011/12, the Strategic Initiative unit initiated the Air Access project by engaging with Western Cape stakeholders across sectors such as oil and gas, agri-processing, courier/freighting and services, as well as Government and the aviation industry, to determine the need and economic potential for increased Air Access (passenger and cargo), specifically into Africa. These engagements, supplemented by desktop research, resulted in a scoping document which will serve as the basis for developing business cases for three specific routes into Africa.
- *Expansion of the Bandwidth Barn:* The Bandwidth Barn (BWB), a subsidiary of the Cape IT Initiative, is considered a successful model of incubation and shared services for the information technology communication industry. Given the role of ICT as a critical and strategic competitive input into the design industry, the Expansion of the Bandwidth Barn seeks firstly to validate the current model and secondly to replicate the model as appropriate into the Fringe. During the 2011/12 financial year, the Department finalised the impact assessment and benchmarking exercise of the BWB which provided an objective evaluation and quantification of the work conducted by the BWB. The findings were extremely positive and provide strong justification for the BWB model of shared services and incubation. In addition, a business case for the Phase 2 expansion of the Bandwidth Barn into the Fringe was developed and finalised in the financial year under consideration. For 2012/13, negotiating and finalising suitable premises as well as leveraging funding and support for the project will be conducted.
- *Aquaculture Development Zones:* The Aquaculture Development Zones will be designated areas in the Western Cape which have all the necessary pre-approvals and infrastructure required for the assisted production of specific types of fish and/or molluscs in order to reduce the barriers to entry and provide a supportive environment for the existing and emerging entrepreneurs in order to take advantage of the growth and job-creating potential of the industry. In 2011/12, a scoping document was conducted which identified three potential sites for the establishment of a pilot zone. In 2012/13, deeper investigations will be undertaken with a view to intensified collaboration with relevant stakeholders.
- *Atlantis Green Hub:* It is estimated that capital expenditure on the construction and erection of renewable energy power plants will be in the order of R20 billion per annum over the next 20 years and local content requirements could create nearly 10 000 blue collar jobs. Due to its location, access and available skill sets, Atlantis was identified by the Department and its Green Cape SPV as the preferred Green Hub location for the manufacture and transport of wind turbines and the manufacture of solar PV components. To this end, a series of meetings was held with the City of Cape Town to discuss and agree on the project. Additional stakeholders were engaged to ensure buy-in to the project; a survey was conducted on the terrain and an engineering report compiled detailing site specifications and possible upgrade required. Furthermore, a marketing tool was developed in the form of a pitch book which has been presented to all prospective investors. A process of land disposal, compliant to MFMA processes, was undertaken by the City of Cape Town and in going forward, the initiative will be driven forward by the City, GreenCape and DEDAT sector officials.

Future Cape

The Future Cape initiative was designed and developed by the Department to the point of implementation. This involved consultation and discussions with a number of stakeholders, including the municipalities and CHEC. The workshops involving CHEC and its academics resulted in a contextual report which provides projections of the critical themes and issues which will impact on the Western Cape's future. This document will serve as the primary basis for engagement during the visioning workshops and consultations. In addition, the Future Cape process gave rise to the identification and procurement of a planning tool which will allow for the provincial government to track trends and analyse the long-term impact of funding and policy decisions, enhancing government's ability to undertake long-term planning. CHEC will be involved in the refinement of the planning tool, both in terms of data co-ordination but also as an institutional mechanism to be used as relevant within the four universities. Because of the rapid progress achieved in the establishment of the EDP and the role that the new institution will play in the co-ordination of a wide variety of stakeholders, the actual implementation of the visioning process will be conducted by the EDP and the final visioning framework of Future Cape will be completed in the 2012/13.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 3.1: Trade and Investment Promotion					
1.1	Number of trade and investments projects realised	6	7	10	Achievement of the target in Q2 results in the achievement in the annual target of seven in Q3. Increased interest has led to the target being exceeded further in Q4.
1.2	Number of businesses assisted with exports	734	350	742	Increased interest has led to the target being exceeded further in Q4.
1.3	Number of new investment projects in the pipeline	32	25	65	Increased interest has led to the target being exceeded further in Q4.
1.4	Number of interventions/projects realised with SDAs	N/A	16	11	Wesgro continued to engage with the SDAs on projects and partnered to present the Western Cape value proposition to incoming delegations and investors on a number of occasions during Q4. There has been regular co-operation between BPESA WC, MIASA, WCFI and GreenCape.
Sub-programme 3.2: Sector Development					
2.1	Number of people trained	448	30	38	The course was oversubscribed, and it was possible to accommodate this. This resulted in more candidates being trained than originally anticipated.
2.2	Number of businesses assisted with proactive interventions	70	55	–	Achievements against this indicator will be reported in Programme 2.
2.3	Number of clusters supported	13	13	13	
2.4	Number of members	1 556	1 755	2 062	SDA industry engagements via events and conferences increased interest in sector bodies. The influxes of members are due to very successful membership drives during the year.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
2.5	Number of economic sector intelligence reports	N/A	11	11	
2.6	Number of trade and investment projects realised (BPO)	N/A	5	6	On-going, high quality investment promotion is starting to gain traction overseas. The investment pipeline that has been developing over the past few years is beginning to produce results.
2.7	Number of trade and investment projects realised (oil and gas)	N/A	7	10	Website marketing, competitive costs and skills capacity provided a competitive advantage leading to more repair orders being received and expedited.
2.8	Number of trade and investment projects realised (ICT)	N/A	1	1	
2.9	Number of Cluster Forum engagements	N/A	4	4	
Sub-programme 3.3: Strategic Initiatives					
3.1	Number of people trained	N/A	–	–	
3.2	Number of infrastructure projects supported	5	6	10	Over-delivery was as a result of the sub-programme being responsive to the needs of the sectors and stakeholders.
3.3	Number of Future Cape engagement/forums	N/A	3	3	

2.2.4 PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

2.2.4.1 Purpose

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

2.2.4.2 Strategic objectives

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 roleplayers – consumers, enterprises and the various levels of government – co-operate in a legally secure and predictable environment, structured towards economic growth and transformation. There is a growing realisation on the part of the business sector that economic growth should not be at the expense of equity 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.

2.2.4.3 Service delivery objectives and indicators

Regulatory barriers

It must be noted that the creation of an enabling business environment by way of reducing red tape affecting business was one of the core elements of PSO 1. The Department therefore decided that the location of the Red Tape Reduction Programme would be better placed under Programme 2 (Integrated Economic Development Services) since this programme was responsible for enterprise development and support. As such the performance targets are reported on under Programme 2.

Consumer awareness levels

It will be noted that a survey was conducted to measure the level of awareness amongst consumers in the province. The results have indicated that a sustained campaign of awareness generation through marketing and communication is required specifically in rural areas. The majority of areas indicating a need for more awareness generation were in the areas outside of the metropole and specifically in rural regions. The OCP will enhance this communication to these areas in the 2012/13 financial year especially since the rebranding of the WCG has been completed and a sustainable campaign can be conducted. It must, however, be noted that the level of awareness within the province exceeds the levels recorded in other provinces. This will, however, spur the Department on to ensure that even higher numbers are recorded in the following financial year.

Strategic partnerships

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

- *Paraffin Safety Association*: The engagements with this organisation focused on providing consumers with information and advice on the importance of using SABS approved paraffin products, e.g. stoves and heaters.
- *You and Your Money*: This is an organisation which focuses on providing consumers with guidance on effective debt management. This partnership was important in light of the OCP's work in financial literacy and debt management specifically.
- *National Home Builders Regulatory Council*: The OCP often receives consumer complaints which relate to defective workmanship from building contractors. The NHBRC is a regulatory authority within the building construction sector and as such it was important to establish a working relationship with them.
- *Consumer Protection Forum*: This Forum is an association of all provincial consumer protection authorities and selected regulatory authorities within the country. The focus of this partnership is to ensure that there is a co-ordinated approach and response to consumer protection matters on a national level.

Monetary value saving

In an attempt to monitor and record the impact of the resolutions facilitated by the OCP, a specific outcome indicator was included in the 2011/12 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 outcome indicator the intervention by the OCP in complaints lodged at its office has directly saved the affected consumers a total of just over R3 million. This amount reflects either the value of repairs, refunds, contract value saving or product replacements provided to a consumer. It is, however, noteworthy that this saving excludes the cost of legal or other fees which consumers would have had to disburse if they had taken their complaint via the formal legal process. If this additional cost was to be factored in to the OCP's equation, it stands to reason that the actual financial saving to the consumer would be far higher than the recorded amount. It is, however, undeniable that the impact made by the OCP in the lives of ordinary consumers is clearly visible by way of this specific indicator.

Percentage of consumers indicating satisfaction with the level and standard of service provided by OCP

The survey results have indicated an over-achievement of this target by 11%. This achievement is notable especially in light of the challenges faced by the OCP as far as complaints management was concerned. As will be noted from the information in this report the OCP has received an influx of consumer complaints as a result of the public interest around the Consumer Protection Act. This directly led to pressure on the existing resources within the OCP to manage and resolve matters as speedily as possible. The satisfaction levels achieved must therefore be seen in this context and the achievement is satisfactory.

Percentage of consumers indicating a change in financial behaviour subsequent to OCP intervention

It must be noted that the financial literacy campaign was only concluded in the fourth quarter. It is the internationally accepted norm that measuring a change in behaviour after the conclusion of a particular engagement can only be done some time thereafter. The required evaluation report which will measure the success of this engagement will thus only be provided in the 2012/13 financial year.

The achievements within the liquor regulation unit contributed to 30% of liquor outlets licenced. This was due to the increase in the amount of Western Cape Liquor Board sittings which resulted in an increase in the number of successful liquor licences issued.

Percentage liquor outlets licenced

The awareness interventions conducted during the 2011/12 financial year centred around the new Western Cape Liquor Act 4 of 2008 and the main changes which will affect licence holders and potential applicants. The awareness levels amongst beneficiaries were not calculated as this will be done via follow-up surveys in the new financial year. The reason for this was to wait until the full implementation of the Western Cape Liquor Act 4 of 2008 and with the reports received from the liquor call centre and follow-up surveys, extract information to indicate if awareness levels on the new Act have improved.

Outcome indicator		Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 4.1: Regulation Services					
1.1	Number of identified regulatory barriers reduced	0	2	0	The performance of this function was transferred to the Department's Red Tape Reduction unit located within Programme 2. The performance is therefore recorded under the relevant section in Programme 2.
Sub-programme 4.2: Office of the Consumer Protector					
2.1	Awareness levels	0	40%	14%	The awareness levels are as recorded in a provincial wide survey. The results have indicated that a greater emphasis on broader marketing and communication must take place in rural areas outside of the metropolises. This percentage of awareness is, however, amongst the highest within the country if compared to other assessments done by other provincial Consumer Protector offices.
2.2	Number of strategic consumer NGO partnerships established	0	15	20	The increase in the number of consumer awareness programmes conducted by the OCP has directly led to the strengthening of partnerships between the OCP and other relevant stakeholders. As a result additional strategic partnerships were established.
2.3	Monetary value saving to consumers	R1m	R1.5m	R2.9m	The increase in the number of complaints received triggered by the introduction of the CPA ensured that the Office had to handle more complaints than anticipated. Furthermore, the CPA made it easier for the OCP to negotiate settlement with businesses.
2.4	Percentage of consumers indicating satisfaction with the level and standard of service provided by OCP	–	40%	51%	The increase in the number of complaints received impacted on the time within which complaints were resolved. The achievement of a 51% satisfaction level is thus commendable and must therefore be seen in the broader context.
2.5	Percentage of consumers indicating a change in financial behaviour subsequent to OCP intervention	–	25%	0	The information cannot be provided at this point. The financial literacy project was conducted until the end of financial year and the evaluation of the project is expected to be conducted later in the 2012/2013 financial year. It must also be noted that the international standard for conducting "change in behaviour" evaluations is between 3 – 5 years after the intervention was conducted. This therefore supports the need to conclude the evaluation report a reasonable time after the engagement was conducted.

Outcome indicator		Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 4.3: Liquor Regulation					
3.1	Percentage of liquor outlets licenced	6.75%	28.5% (baseline: 28 000)	30% (baseline: 28 000)	The number of licenced outlets, expressed as a percentage of the total, increased beyond the projection of 28.5%
3.2.1	Number of jobs facilitated	0	4 680	0	The outcome will be re-defined to match the legislative mandate of delivering against a regulatory function.
3.2.2	Number of jobs sustained	0	36 920	0	The outcome will be re-defined to match the legislative mandate of delivering against a regulatory function.
3.3	Awareness level (as a percentage of beneficiaries of awareness initiatives amongst whom the level of awareness is raised)	8.10%	50%	0	The main focus of the Education and Awareness unit centred on the number of awareness interventions conducted, in relation to the Western Cape Liquor Act only, and not the broader responsible Liquor marketing campaign.

2.2.4.4 Performance indicators and targets

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 channelled 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 included 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 co-operation 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 co-ordinator 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 co-ordinator 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 the 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 2011/12 financial year has seen the Office of the Consumer Protector increase 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. This is significant as it comes hot on the heels of the first anniversary of the implementation of the Consumer Protection Act. The implementation triggered a flurry of requests from businesses and communities across the province. In light of this demand the OCP subsequently conducted 203 workshops covering all aspects related to the CPA. These interventions included industry specific engagements, e.g. with the property industry, and focused on the obligations of business in light of the new legislation. Furthermore, the global financial stresses continued to pose serious challenges for the ordinary citizen as far as debt management and financial prudence was concerned. The response from the OCP on this issue was the roll out of financial literacy workshops amongst the most vulnerable consumers in the province. A total of 100 financial literacy workshops benefiting 4 069 consumers were rolled out throughout the province. The importance of financial literacy and the impact of debt on citizens and communities are essential to the welfare of communities. 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 stresses of debt management. Furthermore, the need for financial literacy amongst consumers across the world has been elevated. Multilateral institutions such as the World Bank and Organisation Economic Co-operation and Development (OECD) have placed financial literacy at the forefront of their agendas. During the year under review the head of the OCP presented at the Financial Education Conference organised by the OECD which was held in Cape Town. This global conference brought together organisations and consumer protection agencies from across the globe to discuss the way forward for the roll out of financial literacy programmes. In South Africa the interest in financial literacy has seen the Deputy Minister of Finance pledging government's support to this initiative. This further reinforces the view that financial literacy has long been recognised as a major problem in South African 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. The response from government has been received with excitement and enthusiasm and the provincial OCP is focussed on continuing its efforts in this regard.

Private sector organisations also continued to partner with the OCP in rolling out financial literacy workshops across the province. 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. It must be noted that this demonstrates commitment of both government and private sector in improving financial literacy amongst South Africans. 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. A major behavioural shift is therefore required, away from a consumer and credit-oriented mind set, toward one of financial prudence. 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 mind set" 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.

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 has directly led to the dramatic increase in the complaint numbers received by the OCP during the 2011/12 financial year. The OCP has in 2011/12 received a total of 14 179 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 the largest amongst the provincial consumer protection offices across the country. By comparison it can be noted that the province with the second highest number is approximately 50% less than the numbers received by the Western Cape OCP. 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 8 728 consumer complaints were successfully resolved during the 2011/12 financial year. This demonstrates an increase of 1 731 compared to the previous year target of 6 997. In this specific sub-programme the targets that were exceeded can be directly attributed to the tremendous increase amongst all stakeholders in the consumer protection arena and the concomitant increase in consumer education campaigns conducted.

Consumer Affairs Tribunal

The OCP has continued to work towards ensuring the operationalisation of the Western Cape Consumer Affairs Tribunal. In this regard it must be noted that the tribunal has being formally established and members were appointed. The year under review has, however, seen the OCP work towards concluding the regulations required in terms of the provincial legislation which would establish the operational practice of the tribunal. The aforementioned regulations were duly completed in the 2011/12 financial year and the tribunal will be fully operational in 2012/13.

Liquor regulation

During the 2011/12 financial year, the relevant sections of the suite of the Western Cape Liquor legislation in relation to the appointment of the Board to the Liquor Authority was enacted by the Premier on 15 December 2011 and the proclamation was published in the provincial Government Gazette on 15 December 2011. The appointment of the Board enables the Board to put in place the necessary framework and corporate structure which will allow for the operationalisation of the Liquor Authority. This includes governance and compliance frameworks such as HR policies, Supply Chain Management policies as well as appointing the Liquor Licensing Tribunal and the Chief Executive Officer. Based on the recommendations received from the Standing Committee, the Minister appointed the Board of the Liquor Authority on a part-time basis in accordance with the prescribed procedure as from 12 March 2012 for a period of three years. The remaining provisions of the Act was published in the Government Gazette on 23 March 2012 and proclaimed on 1 April 2012.

During the 2011/12 financial year, efficiency improvements were made at the Western Cape Liquor Board by appointing a Deputy Chairperson to alleviate and deal with an influx of minor applications, resolve outstanding matters and communicating with liquor consultants and applicants as requested. The outcome of this initiative was an increase in the amount of applications being considered by the Chairperson and a decrease in existing backlogs. In addition, an Acting Director: Liquor Regulation was put in place to oversee the Liquor Board and the Liquor Regulation Directorate as well as manage all the requirements for the establishment of the Liquor Authority. This also allowed the Chairperson of the Liquor Board to only focus on duties and responsibilities as it relates to the Liquor Board.

Within the Liquor Regulation Directorate, the following was achieved in the Liquor Licensing Administration unit:

The Western Cape Liquor Call Centre was established and went "live" on 9 September 2011. This was done to improve efficiencies at the Western Cape Liquor Board and to manage positive stakeholder relationships. The Western Cape Liquor Call Centre received 468 calls in September 2011 which increased to 871 in October 2011. This figure is indicative of increased awareness levels amongst stakeholders regarding the call centre. From January to March 2012, the first-time call resolution rate improved from 67.66% to 76.35%. By March 2012, 789 calls were responded to.

Additional staff were also employed in the Administrative unit to increase the efficiency and turnaround times of processing applications and managing backlogs, which resulted in improved administration and better service delivery to liquor stakeholders.

The Enforcement and Compliance unit also experienced process and output improvements as two vacant inspectorate positions were filled during the 2011/12 financial year. This led to an increase in the number of inspections conducted and a greater compliance with licence conditions amongst licence holders.

To ensure that all licence holders adhere to their respective licence conditions, the unit conducted inspection blitz sessions. The inspection blitz sessions took place in partnership with Municipal Law Enforcement and SAPS. In an attempt to deal with all non-compliant licenced premises, the Inspectorate in collaboration with the SAPS inspected a total of 125 premises. Premises contravening licence conditions were issued warnings, fined or temporarily closed in terms of Section 126 of the Liquor Act 27 of 1989.

The Education and Awareness unit embarked on a campaign to educate all stakeholders, particularly existing licence holders, SAPS and the general public on the upcoming implications of the new Western Cape Liquor Act 4 of 2008. This was done via information sessions and workshops, together with community police forums, the SAPS, other government departments and industry members. These sessions took place throughout the Western Cape and resulted in 103 information sessions being conducted in partnership with relevant stakeholders.

On 9 September 2011, the unit successfully hosted the Annual Western Cape Liquor Conference which saw relevant stakeholders convene to discuss, debate and provide input to future engagements and the content thereof. Based on this, it was decided to change the annual conference to a quarterly conference to ensure more engagement with stakeholders. The next conference took place on 15 December 2011 with the attendance of 92 delegates. Topical issues were discussed and reported on as decided at the previous conference.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 4.1: Regulation Services					
1.1	Number of barriers identified	0	2	0	The performance of this function was transferred to the Department's Red Tape Reduction unit located within Programme 2. The performance is therefore recorded under the relevant section in Programme 2.
1.2	Number of barriers addressed	1	2	0	The performance of this function was transferred to the Departments Red Tape Reduction unit located within Programme 2. The performance is therefore recorded under the relevant section in Programme 2.
Sub-programme 4.2: Office of the Consumer Protector					
2.1	Number of consumer education programmes conducted	146	150	203	Demand in OCP workshops was triggered by the introduction of the CPA and the office could not turn down request from businesses and communities.
2.2	Number of complaints received	14 204	8 000	14 179	The introduction of the CPA coupled with an increase in the number of educational and awareness programmes had a direct impact on the number of complaints received.
2.3	Number of complaints resolved	6 997	6 000	8 728	The increase in the number of complaints received resulted in the OCP embarking on numerous ADR engagements with business in an effort to resolve as many cases as possible.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
2.4	Number of complaints forwarded to the tribunal for hearing and formal adjudication	0	50	0	The major focus for the year under review centred on the finalisation of the regulations relating to the adjudication procedures to be enforced by the tribunal.
2.5	Number of matters forwarded to the tribunal for resolution by way of a consent order	0	50	0	The major focus for the year under review centred on the finalisation of the regulations relating to the adjudication procedures to be enforced by the tribunal.
2.6	Average number of days taken to resolve complaints by way of adjudication by tribunal	0	70	0	This could not be measured as the delay in the finalisation of Regulations meant that the tribunal could not adjudicate matters.
2.7	Number of people reached by way of awareness events and initiatives	20.8m	5m	12.7m	Requests from both print and electronic media helped the OCP to reach 6 million consumers. The flurry of requests was triggered by the introduction of the CPA. This target was measured based on official listenership and readership figures of the publications/institutions used.
2.8	Number of regional offices operationalised	3	4	3	In light of the influx of consumer complaints received the Department reprioritised this post. As a result an additional resource was created at the complaints management division.
2.9	Number of consumer complaints lodged by consumer NGOs for formal adjudication or consent order by tribunal	0	15	4	The delay in the accreditation of consumer NGO's by the National Consumer Commission affected this target. Since no NGO's were accredited by the NCC no official complaints from accredited bodies were received.
2.10	Number of financial literacy workshops conducted	52	40	100	The increase in the number of ad hoc requests for workshops/information sessions resulted in this target being exceeded.
2.11	Number of attendees at financial literacy workshops	–	500	4 069	The increase in the number of ad hoc requests for workshops/information sessions resulted in this target being exceeded. This impacted on the numbers of people attending the sessions.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 4.3: Liquor regulation					
3.1	Number of applications received (new licences and secondary applications)	1 965	3 200	2 456	This target was based on the assumption that the number of applications received would increase substantially due to applicants from the informal sector lodging applications before the implementation of the new Western Cape Act.
3.2	Number of licences issued	519	900	1 172	The increase in the number of licences issued can be attributed to increased Board sittings and a Vice-Chairperson was appointed to the Liquor Board to manage the issuing of conditional approvals.
3.3	Number of awareness interventions conducted	72	100	103	Targeted awareness campaign on the implications of the new Western Cape Liquor Act.
3.4	Number of people reached through awareness programme interventions	889	2.5m	1 695	Due to the implementation of the new Western Cape Liquor Authority, budgetary forecasts were kept to a minimum. Due to the focus on the proclamation of the Act and the establishment of the Authority, mass media campaigns were not conducted.
3.5	Number of inspections conducted	795	2 000	2 306	An additional inspector was appointed. A work programme of all inspectors to be conducted was completed in advance and strictly adhered to, which ensured that inspections and blitz sessions were conducted.
3.6	Number of social responsibility programme conducted	–	4	0	The unit was re-focused to deliver on the number of awareness interventions conducted in light of the proclamation of the Act and establishment of the Liquor Authority for the 2012/13 financial year.

2.2.5 PROGRAMME 5: ECONOMIC PLANNING

2.2.5.1 Purpose

The purpose is to provide support to the leadership, i.e. Minister, HOD and the Departmental Top Management (DTM), 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.

2.2.5.2 Strategic objectives

In 2010/11, the province completed its strategic agenda which resulted in the finalisation of 12 Strategic Objectives. The Department's work in 2011/12 was to lead Strategic Objective 1: creating opportunities for growth and jobs, which provides overall policy and strategic direction to all the Department's programmes and projects. Programme 5's strategic objective, therefore, was to support effective implementation of Strategic Objective 1, and to ensure that all the Department's programmes and projects were aligned to it. An advanced logic model was used to map out the key strategic outputs and outcomes of the PSO 1. To this end the programme completed the Strategic Objective 1 strategic directive which sets in motion the transversal management system with specific reference to crosscutting work groups, i.e. Red Tape, Provincial Skills Development Forum, Infrastructure, Expanded Public Work, Local Economic Development Forum and the Green Work group.

2.2.5.3 Service delivery objectives and indicators

As mentioned above, in 2010/11 the province completed its strategic agenda which resulted in the finalisation of 12 Strategic Objectives and the Department's mandate was to lead Strategic Objective 1: creating opportunities for growth and jobs. In order to operationalise PSO 1 and to translate it into programmes and projects, the Economic Planning unit completed the Strategic Directive for PSO 1. This was approved by Cabinet.

The process of the establishment of the Western Cape Economic Development Partnership was successfully completed. The EDP hosted the major players of the provincial economy in the form of the CEOs forum and afforded them the opportunity to provide input on how to achieve inclusive growth. The forums also were used as a platform to share information and showcase projects that promote the inclusive growth agenda. Furthermore, the WCEDP launched the regional learning network in partnership with the National Treasury Technical Assistance Unit between three major economic regions, i.e. Gauteng, KwaZulu-Natal and the Western Cape to share best approaches on how to promote regional economic growth. This was coupled by numerous workshops and discussions on the 2040 future Cape vision. These workshops and discussions were guided by the Future Cape Contextual report to demonstrate evidence based visioning process.

In the process of defining and developing the Western Cape Economic Development Partnership it became evident that the repository of economic intelligence would be more appropriately placed in the WCEDP, rather than in the Department. This is now part of the WCEDP's core mandate.

The implementation of M&E recommendations or "utilisation of findings" as referred to in the accompanying table, is one of the crucial phases in the M&E process. It serves as a catalyst in bringing about change by ensuring that M&E studies result in the improvement of departmental performance. It furthermore confirms and underscores government's commitment to improved service delivery to all recipients of government services (i.e. beneficiaries and other stakeholders who participate in these studies). This outcome indicator was introduced in 2010/11 as a pilot, however, there was no baseline available. Whilst many of the recommendations were attended to in this financial year, the divergence between the target and actual delivery has been due to a variety of factors; for instance that some of the projects ceased to exist, some were faced with resource constraints and others had to be amended in order to accommodate the new strategic shift.

Departmental staff continued to make use of the Resource Centre and 83% of the staff utilised the Resource Centre's services. It was agreed that utilisation would be calculated as a percentage of actual staff rather than by means of a survey as was done in previous years in order to obtain a more accurate figure.

Outcome indicator		Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 5.1: Policy and Planning					
1.1	Updated Provincial Economic Development Strategy	–	1	1	
Sub-programme 5.2: Research and Development					
2.1	Established economic repository of provincial economic intelligence	–	Economic intelligence repository proposition	–	To be implemented by the WCEDP.
Sub-programme 5.3: Knowledge Management					
3.1	Level of staff awareness increased	–	60% of staff informed and effective – to be measured by internal annual survey	87% of staff informed and effective – to be measured by internal annual survey	The higher percentage was as a result of the high turnover of staff in the Department.
Sub-programme 5.4: Monitoring and Evaluation					
4.1	Learning organisation results utilised throughout the Department	–	100 % learning results utilised throughout the Department	83% learning results utilised throughout the Department	This is due to strategic plan changes and as a result some of the projects were discontinued.

2.2.5.4 Performance indicators and targets

In order to give support to the Department's leadership in undertaking planning processes that provide a coherent vision and strategic outcomes which give effect to Strategic Objective 1: creating opportunities for growth and jobs, the Strategic Planning unit focused on the following objectives:

Establishment of the Western Cape Economic Development Partnership

As mandated by Strategic Objective 1, The Western Cape Economic Development Partnership was constituted as an independent, membership-based non-profit organisation, to lead, co-ordinate and drive the Western Cape economic delivery system to achieve greater levels of inclusive growth. It has been registered as a legal entity, and has been officially launched.

Traditional approaches to regional economic development are not working satisfactorily. This is evidenced by the 'pulling apart' of the regional GDP growth trajectory and the employment growth rate over the past decade, translating into a condition of jobless growth and consequent poverty. The Western Cape Economic Development Partnership (WCEDP) will provide a new way of working together to redesign the regional economic system and deliver different outcomes.

The Economic Development Partnership is not a public entity accountable only to government. Instead, the WCEDP has been established as a cross-sector partnership in order to achieve structured and sustained collaboration amongst diverse organisations in the Western Cape economic delivery system.

In the 2011/12 financial year the Department enlisted the Cape Town Partnership to undertake the mammoth task of establishing the WCEDP and getting it up and running in time for the official launch on 26 April 2012. The launch was attended by the Minister of Finance, Economic Development and Tourism, Alan Winde, and the Premier, Helen Zille.

Management of high level strategic projects through the Executive Dashboard

The unit monitors the Department's activities at a strategic level to ensure alignment of programmes and projects with the broader departmental and provincial strategic agenda. This is done by means of the Executive Projects Dashboard, the project tracking performance monitoring system. The system enables the Head of Department, the Minister and the Premier to keep track of progress and to be alerted to challenges and delays timeously.

The Premier identified Provincial Cabinet Priority projects which have to be implemented for the next five years. These form part of the provincial strategic agenda and are loaded onto the Dashboard and monitored on a quarterly basis.

The unit successfully loaded and monitored all departmental strategic projects on the Dashboard, and reported quarterly on Dashboard progress.

The Economic Research unit focused on informing the planning framework, taking into account the global economy, climate change, demographic trends, etc, and provided the research background to enable the Department's strategic direction to be solidly based on evidence based research. In particular, the unit concentrated on the following objectives:

Investigation into the development and establishment of a single economic repository intelligence system for the Western Cape

It is data, together with intelligence, that informs decision making. The importance of data is thus readily understood. Notwithstanding the importance of data, even when excluding the problem of data availability, they are not without issues. It is to address such data issues that a single data repository and intelligence system was envisioned. Research and Development was tasked with exploring the development of such systems and undertook case studies which examined the data systems of the Department of the Premier, Wesgro IQ, and Provincial Treasury.

At the same time, the Economic Development Partnership (WCEDP) was being developed to lead, co-ordinate, and drive the Western Cape economic delivery system. Given that the newly formed body is responsible for economic intelligence co-ordination and application within the province, it was decided that the WCEDP would be responsible for the creation of an economic repository system. The Department is at an advanced stage of discussion regarding the project being transferred to the WCEDP and the role it would have in further driving the development and eventual housing of the intelligence system, the details of which will be incorporated into the service level agreement between the Department and the WCEDP.

Provincial economic forecast

The Department identified a need to analyse and assess the Western Cape economy from a macro-economic perspective. In response to this need, Pieter Laubscher of the Bureau for Economic Research was commissioned to produce a report on the Western Cape economy's sectoral and industrial growth prospects for 2010 to 2015, including an assessment of inter-industry linkages. A constant difficulty for the Department is a lack of data, particularly with regard to the Micro-economic Development Strategy (MEDS) defined sectors. A noteworthy feature of the analysis is that these MEDS sectors were modelled within the province for the first time by recalibrating exiting standard models. This is particularly relevant since it allows decision makers not only to take stock of these sectors, but also to base decisions on the outlook for these priority sectors. Following the release of the report, it was decided to include an updated version of the report in the 2012 Provincial Economic Review and Outlook given its general relevance for anyone interested in understanding the provincial economy.

Red tape investigative report

Provincial Strategic Objective 1 is aimed at creating an enabling environment for businesses. However, PSO 1 notwithstanding, red tape and bureaucracy are consistently mentioned by businesses across the country as a constraint to doing business. In recognition of this problem the Department wished to identify and explore red tape

issues during the procurement process, particularly for small businesses. This was achieved by hosting workshops which were attended by small businesses. The outcome of the research process was that origins of red tape in the procurement process were identified and recommendations were made on how each of the underlying reasons could be addressed thereby improving WCG efficiency, reducing small business compliance cost, and supporting small businesses in transacting with the WCG. A recommendation of the report which will be implemented for the 2012/13 financial year, is the introduction of function specific research and monitoring and evaluation of vendor databases.

Tourism service excellence blueprint

The Department is looking to design meaningful interventions for the tourism sector in the Western Cape. As an initial step in this process, the DEDAT commissioned a firm level value chain analysis of bed and breakfast establishments that fall within the category of small, medium and micro enterprises (SMMEs) in the province. The primary objective of this research was to provide recommendations to the DEDAT for specific government interventions in the tourism sector, particularly in terms of the provision of training and other initiatives related to service levels in the sector. The study was successfully completed and its findings and identified areas of potential intervention communicated within the Department.

Liquor study

The Liquor Act Impact Assessment Study examined the impact of the Western Cape Liquor Act on the township economies, with emphasis on the employment and livelihood dimensions of licenced and unlicenced liquor retailing. The multifaceted methodology employed in the study allowed for greater understanding of the nuanced relationships that exist between shebeeners, households, and other stakeholders. In addition to describing the dynamics of liquor retailing, the study also suggests that enforcement of the Act may have unintended consequences. These important findings were presented to the Liquor Board – who has taken the research under advisement – and at the Western Cape Liquor Conference.

The Department of the Premier undertook a modernisation process in order to update and streamline its functions for more effective service delivery. Part of this mandate was to implement e-filing in all departments in the province, in order to optimise existing filing systems and introduce a uniform e-filing system as practice across the PGWC, to address duplication, legal compliance and accessibility, and to safeguard institutional memory and information. In line with the recommendations of the Modernisation Workstream approved by the Department of the Premier, the Knowledge Management unit assisted a service provider with the preparation of a detailed business case for e-filing in order to detail the Department's user requirements specification. This business case was finalised and approved, and a pilot e-filing study has been instituted.

The Knowledge Management unit was also responsible for the efficient management of the Resource Centre in the Department, where relevant economic data are stored and shared with departmental staff.

Monitoring of departmental programmes and projects

The purpose of monitoring is to track the performance of programmes and projects against set outputs, in terms of effectiveness, efficiency, equity and sustainability. In this financial year the Monitoring and Evaluation unit produced monitoring reports on 11 departmental programmes and projects.

Evaluation of departmental programmes and projects

The purpose of evaluation is to assess the effect of departmental programmes on desired outcomes. It serves as an early warning system to constantly measure objectives and goals, and informs the Department in terms of international best practice. In 2011/12, six evaluation studies were successfully completed.

Maintaining partnerships with institutions of higher learning

Monitoring and evaluation is a relatively new field and is therefore recognised for its dynamic nature. Given that it is an applied scientific field, a multiplicity of skills and knowledge is required. One of the ways in which the M&E unit ensures that it stays abreast of recent developments within the field is through the formation of partnerships with institutions of higher learning. Universities and research institutions are in a better position to access the world class resources and information. These institutions in turn recognise the value of strong partnerships with institutions such as government to better understand the real challenges facing societies.

In 2011/12 the unit worked closely with MRC and UCT specialists by means of peer review mechanisms to obtain insight into the Department's evaluations studies. In the past financial year, three partnerships were formed with institutions of higher learning.

Establishment of an M&E system

An M&E system is a set of organisational structures, management processes, standards, strategies, plans, indicators, information systems, reporting lines and accountability relationships which enables organisations to discharge their M&E functions effectively. The first step in establishing a M&E system is to develop an overall framework within which the system can operate. Subsequently, a Results Based Performance M&E policy framework has been developed during 2011/12 which provides clear guidelines on how departmental performance will be tracked against set outcomes. It covers the various levels of measurement and support that will be offered in order for credible progress reports to be produced. It is envisaged that this framework will assist in promoting the institutionalisation of M&E within DEDAT and to clarify responsibilities between key role players. To give effect to this, the functions of the M&E unit will include:

- Assessing and evaluating the effects of the Departmental programmes and projects on departmental economic outcomes (i.e. employment, skills, investment promotion, and SMME development);
- Providing support to programmes on M&E systems by capturing and storing data and by undertaking performance monitoring and evaluation of programmes and projects; and
- Offering general expert advice on all matters related to monitoring and evaluation.

The document also clarifies the link between the M&E unit and Internal Control. Both units have a critical role to play in the AOPI process as each unit has a specific skill set. It is envisaged that the combined expertise of both units will in all likelihood result in a more streamlined and enhanced AOPI process.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 5.1: Policy and Planning					
1.1	Number of economic strategies developed	0	2	9	The development of economic strategies was delayed by a year while PSO 1 was being finalised. As a result the unit attempted to make up the lost time and get back on track in economic strategy development.
1.2	Number of economic strategies reviewed	3	3	4	The number of economic policies produced by national government resulted in the need for four provincial strategies to be reviewed.
1.3	Number of transversal economic working groups established and co-ordinated	–	3	1	Delays were experienced in appointing experts on the work groups.
1.4	Number of WCEDA planning and implementation reports	–	4	4	
1.5	Number of strategic planning sessions	4	2	3	The operationalisation of PSO 1 resulted in the need for additional strategic planning sessions.
1.6	Quarterly Project Dashboard analysis	–	4 quarterly reports	4 quarterly reports	
Sub-programme 5.2: Research and Development					
2.1	Number of research reports	13	10	11	The unit received more research request than planned.
2.2	Number of research and development initiatives supported	1	1	1	
2.3	Development of credible provincial economic repository intelligence system	–	Development of economic intelligence repository proposition	Development of economic intelligence repository proposition	
2.4	Number of annual in-house economic publications	1	1	1	
2.5	Number of quarterly economic reviews	4	4	4	
2.6	Number of capacity building partnerships with institutions of higher learning maintained	3	3	2	The US based university was unable to send us the MOU due to logistical reasons.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 5.3: Knowledge Management					
3.1	Number of provincial economic intelligence reports produced	6	4	4	
3.2	Fully functioning Resource Centre	100 % functioning Resource Centre	100 % functioning Resource Centre	100 % functioning Resource Centre	
3.3	Fully functioning e-filing in accordance with provincial guidelines	Business case for the implementation of Live Link is completed	Capacitating of the DEDAT to be able to use the system	–	Due to the delays in the completion of SITA tender process.
3.4	Number of learning networks facilitated	4	4	4	
Sub-programme 5.4: Monitoring and Evaluation					
4.1	Number of monitoring reports produced	21	10	11	There was a demand from the line function to have more monitoring activities.
4.2	Number of evaluation reports produced	5	5	6	This is due to strategic plan changes, as a result some of the projects were discontinued.
4.3	Establishment of M&E system	–	Development of draft M&E framework system	Development of draft M&E framework system	
4.4	Number of capacity building partnerships with institutions of higher learning maintained	2	2	3	A third institution accepted the invitation to join the Department in working partnership.

2.2.6 PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

2.2.6.1 Purpose

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

2.2.6.2 Strategic objectives

The provincial approved Strategic Objective 1: Creating opportunities for growth and jobs, re-affirms 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 provincial government. Tourism development and tourism regulation was implemented by the Department in the 2011/12 financial year. Tourism marketing was implemented by Cape Town Routes Unlimited (CTRU), the provincial public entity that serves as the destination marketing organisation.

2.2.6.3 Service delivery objectives and indicators

During the 2011/12 financial year, Cape Town Routes Unlimited's (CTRU) Conventions Bureau secured 20 Bids for conferences and conventions worth an economic value of R254 million during the same period and seven joint marketing agreements were secured, with an economic value of R126 million. Fourteen 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 R1,5 billion to the destination. In tourism development, R2 million was invested in tourism infrastructure, where R1 million provided co-funding for development of the southern shore of the Zeekoevlei Nature Reserve in the False Bay Ecology Park. This is a partnership between the Department, the City of Cape Town and the National Department of Tourism where R25 million was leveraged from the National Department of Tourism. It is intended to create between 50 to 70 jobs for a two year period, and the requirement is that 90% of the jobs should be sourced from local people. The other R1 million went to Cape Nature for the rehabilitation of Bird Island in Lambert's Bay.

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 subsectors, 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 2011/12 financial year, the following Special Purpose Vehicles (SPVs) for the commercial arts and entertainment sectors were supported:

- The Cape Craft and Design Institute (CCDI) for the craft sector;
- The Cape Film Commission (CFC) for the film sector;
- The Cape Music Industry Association (Cape Mic) for the music sector;
- The Performing Arts Network of South Africa (PANSA) for the performing arts sector; and
- The Visual Arts Network of South Africa (VANSA) for the visual arts sector.

During the 2011/12 financial year, the combined value of funds leveraged in sector development for craft amounted to R10, 271 million. For the same period, the value of trade in craft was R3, 228 million.

Tourism destination performance

The World Tourism Organisation recorded a 4.4% growth in international tourist arrivals in 2011 to a total of 980 million, up from 939 million in 2010, in a year characterised by a stalled global economic recovery, major political changes in the Middle East and North Africa and natural disasters in Japan.

South Africa reported a growth and received 8 339 354 international arrivals in 2011, a 3.3% increase on the 8 073 552 arrivals in 2010. According to UNWTO 2012, globally, international tourist arrivals increased with 4% in 2011 on 2010, where 980 million travellers were recorded. Europe reached 503 million tourist arrivals in 2011, where Central and Eastern Europe and Southern Mediterranean destinations (+8%) performed the best. Asia and the Pacific (+6%) received 216 million tourist arrivals, where South Asia and South-East Asia (both +9%) grew the strongest. The Americas (+4%) achieved 156 million tourist arrivals and the sub-region Central America and the Caribbean (both 4%) performed the best among the American sub-regions. Africa reached 50 million tourist arrivals and sub-Saharan destinations (+7%) grew remarkably compared to North Africa which decreased by 12% year-on-year. The Middle East received 5 million tourist arrivals in 2011 (UNWTO, 2012).

During the third quarter of 2011 tourists arrivals for the Western Cape was 315 527 which represents a 7.6% decline compared to the 341 628 tourist arrivals recorded in the third quarter of 2010. The total foreign direct spend from tourists visiting the Western Cape during October to December 2011 was R4.1 billion, a 9.2% decline in tourist spend compared to the tourist spend of R4.5 billion in 2010. The number of bed nights in the Western Cape also declined by 13% with a total number of bed nights of 3 583 461 in the third quarter of 2011 compared to 4 119 251 in 2010 for the same period.

Outcome indicator		Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 6.1: Tourism Management					
1.1	Percentage of stakeholders successfully engaged in the WC Tourism, Arts and Entertainment Partnership	92%	85%	88%	Tourism, arts and entertainment sector meetings were held as well as the Cape Town and Western Cape Destination Conference which accommodated more members.
1.2	Qualitative and quantitative profiles for tourism, arts and entertainment	2	2	2	
Sub-programme 6.2: Tourism Growth					
2.1	Value of tourism infrastructure investment	–	R5m	R25m	Sourced funding through the National Department of Tourism's Extended Public Works Programme where funding requests for six projects were submitted. The value of the funding request was R25 million and that was approved as such.
2.2	Percentage of tourism establishments maintaining minimum standards	89%	80%	96%	Increase quality due to number of renewals and reassessments.

Outcome indicator		Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 6.3: Tourism Participation					
3.1	Number of jobs facilitated/ sustained: Tourism human resources development	–	397	388	The reason for the shortfall is that young people that were part of the programme were offered jobs in the EPWP programme which could not be accounted for in the programme.
	Number of jobs facilitated/ sustained: Tourism enterprise development		1 150	–	Achievements against this indicator will be reported in Programme 2.
3.2	Total number of existing businesses expanded through tourism enterprise development	–	575	–	Achievements against this indicator will be reported in Programme 2.
3.3	Percentage of tourist guides registered	57%	60%	55%	The unit has no direct control over the number of registrations/renewals received.
Sub-programme 6.4: Destination Marketing Organisation (DMO)					
4.1	Number of international arrivals to the Western Cape	1 501 620	1 679 855	981 019	These figures are derived and dependent on South African Tourism research reports.
	Number of international arrivals attributed to the marketing efforts of CTRU	79 856	89 032	51 994	The data reported in 4.1 – 4.4 only reflects three quarters of the calendar year 2011, being January to September. The data for the last quarter/ annual figure is not available as yet. South African Tourism will be releasing the data June 2012.
4.2	International foreign direct spend	R21.8bn	R22.04bn	R13.3bn	
	International Spend attributed to the efforts of CTRU.	R1.2bn	R1.2bn	R705m	
4.3	Number of domestic visitors	3 200 000	4 265 640	1 843 800	
	Number of domestic visitors attributed to the marketing efforts of CTRU	170 000	426 564	184 380	

Outcome indicator		Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 6.5: Commercial Arts and Entertainment					
5.1	Number of jobs facilitated/sustained: (Film Enterprise Development)	–	140	–	Achievements against this indicator will be reported in Programme 2.
	Number of jobs facilitated/sustained: (Craft Enterprise Development)	–	126	–	Achievements against this indicator will be reported in Programme 2.
	Number of jobs facilitated/sustained: (Film Innovation)		64	0	The CFC was unable to comply with the evidence needed for verification.
	Number of jobs facilitated/sustained: (Craft Innovation)		180	0	The indicator could not be measured and verified in the allocated time for submission for the Annual Report as the outcomes are measured six months from funding support provided – the period has not elapsed.
5.2	Number of businesses expanded/sustained: (Film Enterprise Development)	–	70	–	Achievements against this indicator will be reported in Programme 2.
	Number of businesses expanded/sustained: (Craft Enterprise Development)		63	–	Achievements against this indicator will be reported in Programme 2.
	Number of businesses expanded/sustained: (Film Innovation)		32	0	The CFC was unable to comply with the evidence needed for verification.
	Number of businesses expanded/sustained: (Craft Innovation)		90	0	The indicator could not be measured and verified in the allocated time for submission for the Annual Report as the outcomes are measured six months from funding support provided – the period has not elapsed.
5.3	Value of investment and trade (film and craft)	R1.123bn	R1.27bn	R3.228m	The R3.228m that is reflected is the value of trade facilitated by CCDI. The CFC was unable to comply with the evidence needed for verification.
5.4	Value of funds leveraged (commercial arts and entertainment)	R2.185m	R2.360m	R10.271m	The CCDI consistently delivered excellent results on the mandates given to them by provincial, local and national structures. This resulted in an increase in funding made available to CCDI for delivery on the development of the craft sector by bodies such as the NAC, National Lotteries Board, the dti, CoCT, IDC and CATHSSETA which totalled R10,271 million. The CFC was unable to comply with the evidence needed for verification.

2.2.6.4 Performance indicators and targets

Tourism, Arts and Entertainment Management

The Western Cape Tourism, Arts and Entertainment Partnership, which provides a mechanism for consultative governance, was maintained in the 2011/12 financial year. The **Tourism, Arts and Entertainment Management unit** provided secretariat support to the Partnership, which facilitated 12 engagements with 804 members engaged. These engagements included the plenary session for the fourth quarter which took the form of the 2011 Cape Town and Western Cape Tourism Destination Conference. The Tourism HRD Sub-committee held two meetings regarding tourism human resource development matters.

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.

For the 2011/12 financial year, Tourism Development's focus was on infrastructure implementation. The National Department of Tourism approved the province's infrastructure project for the development of the Southern shore Zeekoevlei Nature Reserve at the False Bay Ecology Park within the City of Cape Town. An implementing agency was appointed to finalise the business plan and drive the project implementation. Implementation of this project will be finalised in the current financial year.

Throughout the year, stakeholder engagements were conducted in the Cape Metropole and the five district municipalities. Feedback was provided to stakeholders on the EPWP projects which were submitted to the National Department of Tourism in the 2010/11 financial year. There was also consultation with stakeholders to identify bankable projects that could be submitted to the National Department of Tourism for possible funding from the EPWP.

The Department partnered with Cape Nature and funded a project on the rehabilitation of Bird Island in Lamberts Bay. The project entails the construction of a walkthrough interpretation centre which will be in a form of a life-size whale structure, and the refurbishment of other facilities which will improve the product offering of the island and make a compelling reason to increase visitorship.

In the year under review, the City to West Coast route was implemented where four key nodes are working together to ensure the development of this route. The route is themed the "Culture and Heritage" route and it is meant to highlight the cultural offerings of the West Coast. The four attraction nodes (!Khwa tt, Living Landscape, Fossil Park and Ratelgat) are now working on enhancing their products to ensure that they are marketable.

As an important niche market the Department is finalising the Western Cape Culture and Heritage strategy. This will be aligned to the National Department of Tourism's Culture and Heritage strategy. A service provider was appointed as part of phase one, to conduct a culture and heritage product audit. Part of the audit is to assess the potential of this niche market, identify all the culture and heritage related products in the province and provide findings on the status and work that is needed on the identified products.

The **Tourism Support Services unit** successfully implemented the following:

- The Tourism Safety and Support Programme, now in its seventh year, responded to 21 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 2011/12 financial year, it reinforced its commitment to preventative measures by providing 122 organisations/associations with safety information;
- 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 600 minimum-requirement inspections to ascertain whether tourism products qualified for membership of their specific local tourism organisations. In addition, two 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 10 meetings under the auspices of the Department in all six regions of the province. 91 individual applications for signage were processed. In addition, 2 tourism route road signage were assessed, the Seven Passes Road and Prince Albert Pass; and
- Access the Cape introduced 544 beneficiaries to tourism attractions in the Western Cape.

Tourism Participation Directorate

Promoting participation by the citizens of the Western Cape in the growing tourism industry in a meaningful manner is the mandate of the Tourism Participation Directorate.

The **Tourism Human Resources Development unit** and the Tourism HRD sub-committee of the Western Cape Tourism, Arts and Entertainment Partnership, which is striving to develop an appropriately skilled, representative and highly-productive workforce within the tourism industry, 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 Tourism, Arts and Entertainment Partnership, including representation from CATHSSETA (Culture, Arts Tourism, Hospitality and Sports Education and Training Authority). 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 1 753 beneficiaries:

- Tourism Job Shadowing assisted 98 youth with on-the-job work exposure in the tourism industry;
- Tourism Career Awareness Roadshows assisted 750 youth with sector career advice;
- Tourism Skills Programmes assisted 108 beneficiaries;
- HEI Internship Placement Programme, which assisted 26 youth 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 access possible employment opportunities within the industry;
- FET Internship Placement Programme, which assisted 208 youth 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 access possible employment opportunities within the industry;
- Tourism Collective Bursary Programme, in partnership with CATHSSETA and NSFAS, provided 44 beneficiaries with bursaries for the 2012 academic year to enable them to obtain a qualification in tourism in line with the priority skills areas at public HEI institutions; and
- Tourism Service Excellence Training provided 519 beneficiaries with upskilling in customer service to enhance frontline service excellence in the tourism industry.

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 assisted 675 emerging existing tourism businesses in the following programmes:

- Tourism Enterprise Development (Intermediate), provided training to 109 beneficiaries;
- Tourism Enterprise Development (Advanced) assisted 124 mainstream entrepreneurs with business support. Businesses need to show profitability and the potential to grow or diversify in order to participate;
- Tourism Mentorship Programme in partnership with the Tourism Enterprise Partnership (TEP) assisted 32 businesses; and
- Tourism Economic Empowerment Programme assisted 410 tourism businesses with Tourism Sector Codes compliance.

The **Tourism Regulation unit** continued to implement training and development programmes for citizens to become tourist guides and to ensure that they participated meaningfully in the tourism industry. Workshops and programmes to improve skills were also implemented for registered tourist guides. A total of 420 beneficiaries participated in tourist guide training and development. Newsletters informing the tourist guides of developments in the industry were distributed electronically.

The provincial Tourist Guide Registrar, responsible for keeping an accurate and accessible register of qualified tourist guides, in accordance with legislation, recorded 439 new registrations and 983 re-registrations for the 2011/12 financial year. At the end of March 2012, the Department's database reflected 3 722 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 closer relationships with other regulatory bodies so that steps can be taken to formulate charges against individuals found to be operating illegally.

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. Inspections increase compliance levels by contributing significantly to the rise in the number of new registrations and renewals applications received. Creating a positive and conducive environment for tourist guides to operate in also contributes to the growth and sustainability of the tourist guiding sector.

The Western Cape has taken a pro-active approach to combat illegal guiding activities in the province by appointing dedicated inspectors to conduct regular inspections. In the 2011/12 financial year, 1 057 individuals were inspected at various attractions throughout the province. Of the guides inspected, 22% of tourist guides 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 and were encouraged to register with the Department.

Destination Marketing Organisation (trading as Cape Town Routes Unlimited)

The Western Cape Government (WCG) has outsourced the implementation of its tourism marketing activities to Cape Town Routes Unlimited (CTRU), the provincial public entity that serves as the destination marketing organisation. Major outputs of the Destination Marketing Organisation's sub-programme during the 2011/12 financial year included:

International and domestic marketing: Europe, the Americas, Africa, Asia and the Middle East, 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, 16 were secured with an expected economic impact of R209.67 million and the potential of attracting 16 460 delegates. A further four conferences from the previous financial year (2010/11) were secured. The total economic impact of all 20 secured bids amounts to R254 million.
- The Cape Town and Western Cape Conventions Bureau participated in and facilitated 16 delegate-boosting activities in support of conferences hosted in Cape Town and the Western Cape, and marketed the destination to 35 450 delegates.
- Cape Town and the Western Cape launched a winter campaign, "esCape to the Cape, whatever the weather", which ran from May to end of September 2011. Visitors enjoyed real value for money experiences with the plethora of special discounted offers available throughout the destination. The destination was also packaged by kulula.com for a R999 package including return flights, two nights accommodation and car hire, estimated revenue generated was R1 million. Focus was directed towards a strong tactical promotion in Country Life magazine and online underpinning components comprising of WAYN, PPC, Google Adwords, Facebook and Twitter campaigns.
- CTRU concluded seven joint marketing agreements translating into approximately R126 million. The JMAs were Kulula.com, iTravel, Tattler Travel Guide, Africa Travel Centre, Legend Tours, Premier Holidays and South African Tourism Italy.
- CTRU has facilitated and hosted 54 media groups, 20 TV crews, 524 travel trade representatives from the UK, Italy, Brazil, Hong Kong, Africa and the UAE.
- CTRU launched a summer campaign called "Your Best Summer Ever" from November 2011 to March 2012. Primarily driven through special vouchers on the destination website, the campaign was underpinned with a strong online focus based on GIS functionality including promotion via Facebook and Twitter. As part of the campaign, local celebrities were invited to endorse the campaign driving further awareness of the destination.
- CTRU supported a total of 14 events of which seven were city-based and seven were regional events. Three of these events had an economic impact of R1.1476 billion with a captive audience of approximately 181 500 people.

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; four Destination Performance Reports; a CTRU Reference Panel Study, a SMME Evaluation Study; and a post-event evaluation study of the Cape Town and Western Cape Destination Conference 2012.
- MR&I also administered four outsourced research projects, namely the Delegate Tracking Study (World Congress of the World Federation for Mental Health), two Event Impact Studies (Knysna Oyster Festival and the Prince Albert Olive Festival) and the 2011 Visitor Tracking Survey that tracked the trends and patterns of tourists visiting Cape Town and the Western Cape (during the winter months, June and July 2011 and the summer months, December 2011 and January 2012).

e-Business

Alignment with South African Tourism in terms of its e-Marketing activities, along with maximising on the social media potential continued to be the key focus areas for the year. The www.tourismcapetown.co.za portal has made significant progress in the past year highlighted by the following activities:

- The Summer Campaign was primarily driven through online components, where 233 products advertised special offers/vouchers on the destination website, www.tourismcapetown.co.za. The campaign was highly

successful. In excess of 1 500 vouchers were downloaded. The Summer Campaign website provided for specials based on GIS functionality and was delivered through traditional internet media and .mobi. This campaign ran from December 2011 to March 2012;

- New Facebook and Twitter pages were designed and through maximising on the social media potential the new Facebook and Twitter accounts surpassed all expectations, with 4 225 Facebook followers and 1 400 Twitter followers; and
- South African Tourism announced that the Western Cape will pilot the roll-out of the National Tourism Product Database, which ensures that products are verified and added to a central database at local level. This project is on-going and will be implemented in the 2012/13 financial year.

Tourism Information Gateway Centres

- With the closure of the V & A Waterfront Gateway at the end of the 2010/11 year, only three Tourism Information Gateway Centres, Beaufort West, Storms River and Vanrhynsdorp, were fully operational during the year under review.
- With the winding down of the Gateways, an overall 25 519 visitors were serviced for the 2011/12 financial year.

SMME participation highlights

- In the 2011/12 financial year, the SMME Marketing Support Programmes focused on being innovative with regard to improved collaboration with industry stakeholders. New focused marketing and capacity-building platforms were introduced, such as the Youth in Tourism and the E-Tourism Africa Summit, as well as the Tourism Business Seminar.
- CTRU created a platform for emerging entrepreneurs to participate in tourism marketing campaigns namely: esCape to the Cape, Tourism Month campaign and the Summer campaign.
- CTRU provided more than 150 SMMEs with the opportunity to participate in the six sessions of the CEO's Tourism Business Breakfast, an initiative aimed at linking small and established businesses.
- Of the 466 SMMEs assisted during the year, 305 were women and 90 were youths.
- CTRU created 18 tourism platforms for small tourism businesses in the 2011/12 financial year.

Commercial arts and entertainment

Craft

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.

The figures reported in the 2012 survey show a certain level of consistency with the 2011 figures, namely 65% showing turnover had stayed the same or grown with 76% showing the employment figures to have increased or remained stable.

In the context of the persistent economic recession, taking into account the fact that this sector is a lifestyle/"luxury" sector and the shedding of jobs in other sectors, these statistics are very encouraging.

The Cape Craft and Design Institute (CCDI) is a Section 21 not-for-profit organisation. The number of entities registered on the CCDI's database continues to grow. In the last 12 months there were 896 new registrations on their database – an increase of 34%. The number of new businesses created in the last three years is 77 businesses

(35% of respondents). The CCDI database has grown since March 2009 by an annual average of 26% which is a combination of new entrants to the sector as well as increased profile and credibility of the CCDI which leads to existing businesses registering.

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 sector development approach to connect 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 building a consumer base for local handmade products.

In the 2011/12 financial year, the Cape Craft and Design Institute (CCDI) leveraged additional funding from donors and national and local government. Of the CCDI's annual budget of R15.6 million for the 2011/12 financial year, the provincial government's contribution was R4.1 million. In the year under review, the MAPPP-Seta recognised the CCDI as an Institute of Sectoral Excellence and 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:

- 896 new members were registered on the CCDI's database from 1 April 2011 – 31 March 2012;
- 1 575 businesses assisted with product and enterprise development support;
- 231 businesses assisted with local and international market access;
- R3.228 million generated in sales for local craft businesses; and
- R10.271 million leveraged as additional income to the CCDI.

Film

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 2011/12, the shooting of films in Cape Town such as Safe House, Chronicle, The Borrowers, The Story of Great Britain and TV series such as Strike Back 3, Kidnap and Ransom, Labyrinth, The Bachelor and Masterchef South Africa will generate over R5.5 billion for the local economy (using a multiplier of 2.6). The success of these films has created a global interest in Cape Town as the number one destination for filmmakers outside of Hollywood.

The Cape Film Commission (CFC) is a Section 21 not-for-profit organisation.

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

- 50 members registered on the CFC's database; and
- 81 businesses assisted with enterprise development support; and 38 businesses with innovation support.

Music, Performing Arts and Visual Arts

The Department supported the music, performing arts and visual arts sectors, where the following deliverables were met:

- 775 new members were registered on Cape Mic's database from 1 April 2011 – 31 March 2012;
- 359 new members were registered on PANSA's database from 1 April 2011 – 31 March 2012; and
- 145 new members were registered on VANSA's database from 1 April 2011 – 31 March 2012.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 6.1: Tourism Management					
1.1	Number of members engaged in the WC Tourism, Arts & Entertainment Partnership	816	750	804	Tourism, arts and entertainment sector meetings were held as well as the Cape Town and Western Cape Destination Conference which accommodated more members.
1.2	Number of strategic support interventions for Tourism, Arts and Entertainment	Two annually updated sector strategies	Two annually updated sector strategies	Two annually updated sector strategies	
		Two research papers (baseline)	Two position papers	Two position papers	
		Two outcome indicators monitored	Two outcome indicators monitored and evaluated	Two outcome indicators monitored and evaluated	

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 6.2: Tourism Growth					
2.1	Number of tourism niche markets, developed and supported	–	1	1	
2.2	Number of tourism routes developed and supported	–	1	1	
2.3	Number of tourism infrastructure projects supported	1	2	2	
2.4	Number of investigative reports (tourism global competitiveness)	–	2	2	
2.5	Number of tourism organisations/associations provided with safety information	–	90	122	Continuous networking opportunities enabled the programme to reach more stakeholders and increase distribution.
2.6	Number of individuals assisted by the tourism safety and support programme	–	30	21	The unit responds to incidents as they occur and are reported. The number of incidents decreased during the 2011/12 financial year.
2.7	Number of tourism establishments inspected (tourism quality assurance)	–	624	600	Not enough requests for assessments.
2.8	Number of tourism major icons/attractions assessed (tourism quality assurance)	–	2	2	
2.9	Number of individual tourism road sign applications processed	–	30	91	More applications in demand during the 2011/12 financial year from the regions increased the number of applications processed.
2.10	Number of tourism route road signage assessed	–	2	2	
2.11	Number of locals provided with tourism destination exposure (Access the Cape)	–	560	544	Overall, some proposals received did not meet the selection criteria set.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 6.3: Tourism Participation					
3.1	Number of people trained in Tourism (tourism human resources development)	3 556	1 670	2 173	The attendance was very high at the information sessions that were held and as a result more tourist guides were upskilled.
3.2	Number of businesses supported through tourism enterprise development	–	630	–	Achievements against this indicator will be reported in Programme 2.
3.3	Number of individuals registered (tourist guides)	2 844	2 000	1 422	The unit has no direct control over the number of tourist guides registering or renewing their registrations.
3.4	Number individuals inspected (tourist guides)	–	900	1 057	Exceeded target due to high volumes of guiding activities taking place at some of the attractions that were inspected.
Sub-programme 6.4: Destination Marketing Organisation (DMO)					
4.1	Number and value of joint marketing agreements secured	12	6	7	The over-performance was due to the additional opportunities which were targeted in our core markets.
		R54m	R45m	R126m	The over-performance was due to the additional opportunities which were targeted in our core markets.
4.2	Number and value of conference bids secured	17	16	20	Bid decision process of associations have a three to four year timeline cycle.
		R284m	R360m	R254m	17 Bids are still pending with an economic value of R239m. Bid announcements are expected within the next five months.
		22 200	33 000	20 510	17 Bids are still pending with a potential of attracting 19 370 delegates. Bid announcements are expected within the next five months.
4.3	Number and value of events supported	–	6	14	Cape Town Routes Unlimited added additional events for the year.
		–	R1bn	R1.5bn	The increase in estimated economic value is directly related to the events supported.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 6.5: Commercial Arts and Entertainment					
5.1	Number of businesses assisted: (Film enterprise development)	409	175	–	Achievements against this indicator will be reported in Programme 2.
	Number of businesses assisted: (Film innovation)	454	80	38	The CFC was unable to comply with the evidence needed for verification.
5.2	Number of businesses assisted: (Craft enterprise development)	509	250	–	Achievements against this indicator will be reported in Programme 2.
	Number of businesses assisted: (Craft innovation)	452	150	642	With the high demand for high end functional items in the market, CCDI's innovation programme was inundated with requests from the industry for assistance in this regard.
5.3	Number of investments and trade projects realised in film	122	100	0	The CFC was unable to comply with the evidence needed for verification.
5.4	Number of existing businesses assisted with trade (domestic and exports) in craft	N/A	300	231	Increased costs with regard to trade missions reduced the amount of opportunities that CCDI could participate in.
5.5	Number of film members	1 211	50	50	
5.6	Number of craft members	2 229	50	896	Membership base increased due to the greater presence/visibility to target audience.
5.7	Number of music members	786	50	775	Membership base increased due to the greater presence/visibility to target audience.
5.8	Number of performing arts members	2 755	50	359	Membership base increased due to the greater presence/visibility to target audience.
5.9	Number of visual arts members	1 638	50	145	Membership base increased due to the greater presence/visibility to target audience.
5.10	Number of economic sector intelligence reports	4	5	5	

Success stories

Too Good to Waste Exhibition – Munich, Germany, February 2012

This exhibition and trade show took place in Munich in February 2012 during the Munich Business Week. The project focused on recycled/upcycled products and was made possible by funding leveraged by the Department from the National Department of Trade and Industry. In total, 14 crafters from the Western Cape participated at this international trade event.

This international event helped to promote South Africa as a trade and investment destination (business), market goods, services, as well as explore other investment opportunities that can benefit the country. It is regarded as one of the most prestigious events in Europe, wherein different cultural expressions come together.

This international exhibition provided a rare platform that enabled the exchange of business knowledge, and an opportunity to form strategic business alliances and contacts for crafters. It also provided unique business opportunities and offered a variety of exclusive and fair trade products and services to customers and co-operatives.

The combined total sales made by the Western Cape crafters was R340 309.



One of the Crafters' stands at the Too Good To Waste Exhibition in Munich, Germany

Tourist guide training

During the 2011/12 financial year, Tourism Regulation decided to link tourist guide training with the previous year's inspection programme by targeting individuals that were operating illegally as tourist guides. During the 2010 inspection programme, a number of establishments were reported to have been making use of the services of illegal guides. To increase compliance levels by encouraging establishments to adhere to the Tourism Second Amendment Act, 2000, the Department collaborated with a number of attractions in the Oudtshoorn and Knysna regions to have their site guides assessed and formally registered. As a result, 23 tourist guides were assessed and deemed competent. The success of the training programmes was largely due to the commitment received from the employers to have their guides trained. During this project, establishing relationships and working closely with other stakeholders proved to be very sustainable.

Foreign language training

Foreign language training was rolled out for existing tourist guides in Spanish and Italian. The training was offered at Beginner's Level and was aimed at equipping tourist guides with additional skills to enable them to compete more effectively in the marketplace and in order to be employed on a more sustainable basis in the tourism industry.

A total of 36 learners completed the training. During the 2012/13 financial year, learners will undergo training at intermediate level to build on their existing knowledge base, focus on pronunciation and advance towards more detailed conversations. Ultimately, it is envisaged that through this three-year project learners will be equipped to conduct tours in Spanish and Italian respectively.

Promoting partnerships with public FET colleges to address sector skills needs and priorities in the tourism industry

The Department embarked on a Tourism Further Education and Training (FET) Skills programme by partnering with public FETs offering tourism courses to address the increasing need to provide youth with access to and awareness of training and on-the-job work exposure opportunities in the tourism industry.

Financial access has been identified as a major obstacle for unemployed youth to access educational opportunities. The programme was therefore implemented to respond to the gap between the school system and the FETs by broadening access for youth to education, training and employment opportunities in the tourism industry.

The main aim of the programme was to facilitate opportunities for unemployed youth to be skilled in occupational driven Hospitality FET NQF aligned skills qualifications, skills programmes and short courses responsive to industry needs.

The project encouraged closer co-ordination and synergy between the public FET colleges, False Bay College and Northlink College who offer CATHSSETA accredited courses to assist unemployed youth to access vocational training at these colleges. The programme assisted 108 youth to access accredited skills training and these new entrants to become employable in the tourism industry.



DEDAT staff including Northlink Chief Executive Officer, Mr Leon Beech and the public FET hospitality students funded through the tourism skills programme

Tourism customer service training

The Department embarked on tourism customer service training aimed at the tourism workforce to access an up-skilling opportunity with a particular focus on enhancing customer service levels in the tourism industry.

The training was rolled out to employees working in the tourism industry in the province, in partnership with the region and local tourism offices and business stakeholders to encourage the access of relevant staff to attend and gain exposure to the training.

The partnerships established, assisted with the co-ordinating and funding of the logistics and delegate attendance which assisted the Department to fund more beneficiaries for the training facilitation. 519 beneficiaries were trained and received a lapel to recognise they have been trained as SA host ambassadors and will promote service excellence in the province.



Tourism workforce trained on SA host customer service training in Hermanus

Minister Winde hosts successful trade breakfast network-session in Singapore ITB Asia 2011

Cape Town and the Western Cape region are open for business and ready to partner with and learn from you – this was one of the key messages delivered by Western Cape Finance, Economic Development and Tourism, Minister Alan Winde in Singapore at the ITB Asia 2011 Trade breakfast.

Addressing 30 members of the Asian tourism trade, local media and other delegates at a trade networking breakfast, Minister Winde emphasised the importance of marketing and promoting the Western Cape as a business and tourism destination in Asia.

Other matters addressed by Minister Winde include the fact that most of the Asian tourism markets like China, Japan and India have shown significant 2009-2010 year-on-year growth in terms of international arrivals to the Western Cape.



Pooveshnee Reddy from the SA High Commission Singapore and Minister Winde at the Western Cape stand at ITB Asia 2011

2.2.7 PROGRAMME 7: SKILLS DEVELOPMENT AND INNOVATION

2.2.7.1 Purpose

To facilitate the provisioning of Human Capital and Innovation skills in order to deliver on economic Human Resource Development needs of the Western Cape.

2.2.7.2 Strategic objectives

The key strategic objectives of Programme 7: Skills Development and Innovation, towards Provincial Strategic Objective One: Creating opportunities for growth and jobs, are:

- a) To create an enabling skills environment that minimises the human resource development hurdles to sustainable business growth, investment and job creation
- b) To co-ordinate institutional arrangements by increasing access to occupationally directed programmes, leading to entry, intermediate and high level learning
- c) Facilitating demand-led, sector based skills initiatives which would create opportunities for employment

2.2.7.3 Service delivery objectives and indicators

The respective sub-programmes have collectively worked towards:

- a) Narrowing the gap between skills supply and demand
- b) Leveraging additional funds
- c) Increasing the access to job opportunities

The Provincial Skills Development Forum (PSDF) has started the process towards achieving Strategic Objective 1's aim: creating opportunities for growth and jobs, through, in its first year identifying the key skills challenges that are overarching in the Western Cape and identifying key interventions and partnerships to address these.

The past few years has seen the consolidation of the transfer of post-school skills development from the Department of Labour and Department of Education to the Department of Higher Education and Training. There were further significant shifts in the skills development arena, with the introduction of the National Skills Development Strategy (NSDS) III in February 2011. The significant shift in the NSDS III has seen the stronger focus on public sector skills delivery. This has resulted in a shift in the skills funding landscape and resulted in less funding being available for private sector skills projects.

In the Province, the PSDF was launched on 6 June 2011. This forum was launched by the Premier, as a forum comprising all relevant social partners and stakeholders to co-ordinate skills development in the Western Cape.

The PSDF and SETA Cluster structure, and process, have been viewed by the National Department of Education as good examples of best practice towards achieving inclusive stakeholder engagement working towards the goals of the National Skills Development (NSD) III.

The Western Cape Seta Cluster co-ordinates 21 SETAs and has focused on investing in various aspects aligned to the NSD III including workplace experience grants/opportunities, bursaries and career guidance and have worked with co-funding initiatives with DEDAT to assist leveraging funds across various sectors.

The PSDF did not achieve its targeted funds leveraged, mainly due to changes in the National Skills Fund (NSF) approach to funding public skills institutions. A key shift has been to increase their funding towards mainly strengthening public institutions and skills development programmes towards employment purposes (which are medium term goals for the PSDF). As the PSDF matures, greater alignment between the NSF and PSDF will occur. A fundraising platform has also been established by the PSDF to increase the collaborative approach to skills, which should assist with increasing the various avenues for raising funds in the future.

Workforce Development has over achieved with regard to the value of funds leveraged, through the following stakeholders, Chieta, City of Cape Town and host employers (who had co-funded training and stipends through the W & SP). The target of R5 million was over-achieved due to the strong engagement with business chambers, employer organisations, host companies, SETAs and NGO's. The forging of new partnerships with local municipalities within the various regions in the Western Cape are key in rallying business participation in the W & SP and showed success in securing jobs for learners on the programme. Rural businesses have had the largest absorption of labour through the Work and Skills Programme.

The Regional Innovation Forum members, which include the Cape Higher Education Consortium (CHEC), Technology Innovation Agency (TIA), Further Education and Training (FET) and business, has been instrumental in shaping the development of the Regional Innovation Framework which sets the tone for possible collaborative engagements and co-funding opportunities in the future. TIA has now taken the lessons learnt from the Western Cape experience in the set-up of the Regional Innovation Forum for the setting up of a similar forum in the Northern Cape.

The Regional Innovation Systems Framework (RISF) was only finalised this year and thus no funds were leveraged in the Innovation portfolio.

Outcome indicator		Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 7.1: Provincial Skills Co-ordination					
1.1	Functioning provincial HRD body represented by relevant stakeholders	1	1	1	
1.2	Value of funding leveraged		R6m	R565 000	The PSDF did not achieve its targeted funds leveraged, mainly due to changes in the National Skills Fund (NSF) approach to funding government. A key shift has been to increase their funding towards mainly strengthening public institutions and skills development programmes towards employment purposes (which are medium-term goals for the PSDF).
Sub-programme 7.2: Workforce Development					
2.1	Number of jobs facilitated/sustained	485	500	443	The variance was due to the slow uptake of learners as businesses are still recovering from the economic downturn and have not taken on learners in permanent positions as we expected.
2.2	Value of funding leveraged	R10.834m	R5m	R5.635m	Through the partnerships that DEDAT has developed with business, more companies were willing to co-fund the cost of training and stipends to learners.
2.3	Number of youth using Career mediums		-	-	

Outcome indicator	Baseline (actual outcome) 2010/11	Actual performance against target		Reason for variance	
		Target 2011/12	Actual 2011/12		
Sub-programme 7.3: Innovation					
3.1	Functioning Regional Innovation Forum, represented by relevant stakeholders		1	1	
3.2	Value of funds leveraged		R500 000	–	The Regional Innovation Systems Framework (RISF) was only finalised this year and thus no funds have been leveraged in the Innovation portfolio and the project scoping will occur next year through the Regional Innovation Forum.
3.3	Number of businesses expanded/sustained		–	–	

2.2.7.4 Performance indicators and targets

Sub-programme 7.1: Provincial skills co-ordination

The initial meetings of the Technical Working Group, comprising representatives of organised business, organised labour, civil society, government and institutions of learning, identified those skills challenges that impact transversally. Priority areas were identified and in some instances work groups were established to formulate responses to the identified challenges, such as artisan development and career awareness. The relationship between these stakeholders is still being built and a shared platform has been developed to further foster communication and sharing of information.

The PSDF Technical Work Group identified priority areas: Artisan Development, Research and Knowledge Management, Career Awareness, Entrepreneurial and Self-Employment Skills and Work Placement. These areas have been championed by various stakeholders and the following work groups were established to develop implementation plans for the Western Cape:

- **Artisan development**

This work group has established its purpose as increasing the number of artisans in the Western Cape. As an initial step, a research study has been commissioned that will consider both the supply and demand for artisans in the province. This study will produce a comprehensive list of artisans working in the province already and also identify current and future demand. This study has been hailed as a benchmarking study by the National Artisan Moderation Body (NAMB) as it will guide other provincial studies.

- **Career awareness**

The work group identified the challenge that despite the plethora of career awareness information, there is no co-ordination of this information. There are also challenges with youth accessing this information. The work group has commissioned a study that identifies the various roleplayers working in the career awareness area and will also identify best practice that can be replicated. This study is to include information on the best media for reaching the relevant people. In addition, the study will identify gaps in offerings and recommend programmes that can be developed to meet these needs.

- **Western Cape Government**

Although this had been established as a work group before, the internal and external skills were dealt within separate forums. The decision has been taken to merge the two areas and develop a comprehensive skills plan.

The decision has also been to focus on priority sectors and to work with the relevant stakeholders to develop skills agenda for these sectors. The development of an Economic Strategy will assist in identifying the sectors. It has been determined that all the work being undertaken by the PSDF will assist to develop a Human Resource Development (HRD) Framework that is comprehensive and developed through participation of all stakeholders.

Research conducted on skills issues in the province included Benchmarking Lifelong Learning Report and the Residual Policy Effects that DEDAT has to mediate in its alignment with Strategic Objective 1.

Sub-programme 7.2: Workforce development

Work and Skills Programme

Work and Skills Programme (W & SP) through its collaborating and co-ordinating role with stakeholders such as Skills Development Agencies (SDAs), sector managers of DEDAT, LED managers and deputy mayors in various regions in the Western Cape, business chambers across the province, non-government organisations, Further Education and Training Institutions (FETCs), Sector Education and Training Authorities, resulted in over 500 learners being successfully placed with host companies/organisations in the metro and rural areas of the Western Cape. These learners were placed in an environment where they are exposed to the world of work and gained experiential learning/work place experience which will ensure that they are marketable and employable. Industry has facilitated technical and soft skills training opportunities to learners through enrolling youth on the Work and Skills Programme (W & SP).

Both the skills training and work placement targets were exceeded as there was greater demand for labour by industry.

W & SP has been implemented in all six regions of the Western Cape, with 54% rural and 46% metro and a gender split of 38% male and mostly females at 62%.

Career Awareness Programme (CAP)

The Career Awareness mediums have met a greater demand for opportunities and knowledge. These mediums are userfriendly and use technology that allows greater reach in a shorter space of time and the scale of reach of the Career Awareness initiatives has increased as a result. While an average target of 1 000 hits per quarter was initially set for the webpage on Career Awareness, the number was overachieved as a result of the demand for opportunities, and knowledge on career awareness. These mediums are userfriendly and use technology that allows greater reach in a shorter space of time. A new website called the 'Career Bee' was developed with a Facebook page and a newsletter that informed all stakeholders about Career Awareness information on skills training and career opportunities. This was in addition to the Career Awareness road shows.

The Premier's Advancement of Youth Project

The Premier's Advancement of Youth Project (PAY) Project aims to place 1 000 learners into mainly government for a period of one year to gain workplace experience. Next year this project will be co-funded by the Development Bank of South Africa's Jobs Fund, as a result of seed funding provided by DEDAT.

This project was over and above the Annual Performance Plan; however, the Premier's PAY project has had DEDAT take the lead with strong guidance, co-development and management and implementation with the Premier's Department and the Learning Cape initiative.

Systems and processes to compute applications for recruitment, selection and matching of learner to departments, together with key co-ordinators being trained in regions, was an important set-up phase; for which the Learning Cape Initiative was given additional funds.

Artisan Training Programme

A pilot Train the Trainer programme was run with the South African Oil and Gas Alliance (SAOGA), FET Colleges (Northlink, West Coast and False Bay), JTK and Hansing Engineering. The programme consisted of taking FET trainers and private sector artisans and upskilling them in the latest apprentice training methodology so that they can support artisan skills development. This would also add the following:

- Reducing the mismatch between supply and demand;
- Collaboration of funding;
- Improving linkages between FET and Private sector;
- Retaining scarce and critical skills by elevating artisan trainers; and
- Creating critical mass to increase skills development.

The Train the Trainer pilot project, focused mainly on fitting and turning, over-achieved in the third quarter mainly due to the availability of candidates. The fourth quarter, however, saw a drop out of two learners due to work commitments. These learners will be taken up in training in the next financial year.

Research reports

DEDAT in collaboration with the Learning Cape Initiative (LCI) and South African Oil & Gas Alliance (SAOGA) commissioned three research reports as follows:

- **The Journey of the Western Cape Seta Cluster (LCI)**
The research report documents and analyses the historical record and process which unfolded in the emergence and establishment of the SETA Cluster in the Western Cape.
- **Career Awareness mediums**
The research report focuses on mapping the events and initiatives around the all-important perceptions of career guidance in the Western Cape and how learning and accessing information is an imperative means to knowledge building that leads to innovation through technology.
- **Artisan Training Research Report (SAOGA)**
The report covered the Oil and Gas Ship Repair subsectors within the Maritime sector. The focus on supply and demand led skills development is aimed at attracting future investment within the sector. The study identified key attributes to ensure effective re-positioning of the maritime sector as a leading maritime nation.

Sub-programme 7.3: Innovation

Productivity Improvement Programme

The Productivity Improvement Programme is key to improving competitiveness and growing the economy. Most innovation occurs within the business environment, and often it is due to the adoption of new knowledge from various sources. Therefore, it is very important that businesses exchange their experiences with universities and government on a collaborative basis, which is made possible through initiatives such as the Productivity Improvement Programme.

The overall purpose of the productivity improvement interventions were to investigate and use possible key levers integral to productivity improvement interventions, based on industry needs. The following are examples of interventions:

Productivity intervention	Business name	Benefit
Upgrade of vacuum packing machine	Astroway Projects	It will be required to design and implement the electrical system to the mechanical system so that the fully functional working machine can produce 33 packaged powder coffees per minute.
2D to 3D drawing conversion	Maverick Machines	The company manufactures packaging manufacturing machines for the international market. The machine drawings are currently in 2D format and to be able to increase production and improved the machine development process the drawings need to be in 3D.
Ph and conductivity correction of waste water	Bevcan	The design and implementation of a waste water monitoring and treatment system to ensure that the waste water is within the allowable range as allowed by the CTCC.

Each business had a mechatronics learner in their final year together with experts to assist promoting a research culture that focuses on applied and problem-solving research and implementation that is responsive to industry needs.

The initial engagements with various firms indicated that most businesses required medium to long-term interventions and additional financial resources that could not be accommodated in the financial year. Thus, only 12 businesses out of the 20 that were targeted were feasible for implementation in this financial year. Productivity interventions for eight businesses will be implemented in the next financial year.

Innovation portal

The South African Innovation Network (SAINe) was initially identified to host the innovation portal. Due to the lack of capacity and financial constraints within SAINe, this avenue to host an active innovation portal with them and measure the hits was not feasible. However, in the interim the SAINe website hosted four newsletters, initiated by the Innovation unit, celebrating the innovation culture. These newsletters ranged from projects with the South African oil and gas sector to the Stellenbosch Innovation Competition that empowers students to start a business and ensure it eventually becomes sustainable through mentorship and guidance.

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 7.1: Provincial Skills Co-ordination					
1.1	Development of a HRD framework for the Western Cape	N/A	1	1	
1.2	Working groups established to develop policies and projects for skills programmes	N/A	2	3	The work groups arise due to needs being demand led. The work groups arose with terms of reference as the conversations and needs became clearer and discussions matured.
1.3	No of research reports developed	N/A	2	2	

Performance indicator (output)		Baseline (actual output) 2010/11	Actual performance against target		Reason for variance
			Target 2011/12	Actual 2011/12	
Sub-programme 7.2: Workforce Development					
2.1	Number of jobs facilitated	N/A	500	512	The overall target of 500 was over-achieved by 12 learners as a result of the demand for future placement of learners.
2.2	Number of people trained: Work and skills	611	500	512	The overall target of 500 was over-achieved by 12 learners as a result of the demand for future placement of learners.
2.3	Number of people trained: General	N/A	20	18	Due to operational requirements by the respective companies, only 18 candidates were available for training. The remaining two candidates will be trained in 2012/13 financial year.
2.4	Number of co- funding business cases/proposals developed	N/A	2	3	The demand for co-funding and collaboration of partnerships has led to three submissions.
2.5	Coverage of reach through career mediums	N/A	4 000	125 382	The Career Awareness has exceeded its target partly due to a revised web page and the aggressive marketing campaign on career awareness.
2.6	Number of research reports developed	N/A	3	3	
Sub-programme 7.3: Innovation					
3.1	Number of research reports	N/A	2	2	
3.2	Number of businesses assisted	N/A	20	12	Initial interventions with various firms indicated that most businesses required medium to long-term interventions and additional financial resources that could not be accommodated in the 2011/12 financial year. Only 12 businesses were feasible for this financial year. The other eight business interventions shall resume in the 2012/13 financial year.
3.3	Number of hits reached through innovation portal	N/A	2 000	0	The South African Innovation Network (SAINe) was initially identified to host the innovation portal. Due to the lack of capacity and financial constraints within SAINE, this avenue was not proven feasible.
3.4	Number of newsletters produced	N/A	4	4	

PART THREE: ANNUAL FINANCIAL STATEMENTS

REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2012.

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 4 times per annum as per its approved terms of reference. During the current year 6 meetings were held.

Name of member	Number of meetings attended
Mr P Jones (Chairperson up to 31 December 2011)	4
Mr Z Hoosain (Chairperson from 1 January 2012)	6
Mr R Kingwill	6
Ms L Hassan (resigned 11 November 2011)	3
Mr K Larkin	4
Mr B van Staaden (appointed 1 January 2012)	1
Mr M Burton (appointed 1 January 2012, resigned 15 March 2012)	1

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.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

THE EFFECTIVENESS OF ENTERPRISE-WIDE RISK MANAGEMENT (ERM) AND 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 and Management Reports, no material deficiencies in the system of internal control were noted.

Effectiveness and efficiency of risk management

During the year further progress has been made with the roll out of Enterprise Wide Risk management (ERM) and the alignment to the key risks of the Department. The Audit Committee will monitor further progress on a quarterly basis.

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.

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;
- reviewed and where appropriate, recommended changes to the interim financial statements as presented by the Department for the six months ending 30 September 2011; and
- reviewed 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

The Audit Committee reports that two of the three planned areas of the approved Internal Audit plan were tabled as at 31 March 2012. The outstanding report was tabled after year end.

As reported in the previous year, the Committee is of the view that further audit coverage is required and that there is a need for additional capacity to support the increased coverage of further high risk areas.

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 continue to 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 cooperation and information they have provided to enable us to compile this report.



Chairperson of the Economic Cluster Audit Committee

13 August 2012

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

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The Department was allocated an original budget of R254,414 million for the 2011/12 financial year. This budget was allocated as follows: 9% or R22,957 million to Administration, 20% or R51,742 million to IEDS, R63,365 million or 25% to Trade and Sector Development, 8% or R20,580 million to Business Regulation and Governance, 7% or R17,032 million to Economic Planning, R62,463 million or 25% to Tourism, Arts and Entertainment and 6% or R16,275 million to Skills Development and Innovation.

During the Adjustment Estimate process an additional R2,656 million was allocated to the Department. Of this, R2,706 million was allocated to Wesgro as part of their accumulated surplus while R50 000 was shifted to Vote 9: Environmental Affairs and Development Planning for the 17th Climate Change Conference of Parties (COP17) held in Durban.

Post Adjustment Estimate, the revised allocations per Programme were as follows:

- a) Programme 1: Administration R20,555 million;
- b) Programme 2: Integrated Economic Development Services R51,266 million;
- c) Programme 3: Trade and Sector development R70,223 million;
- d) Programme 4: Business Regulation and Governance R18,780 million;
- e) Programme 5: Economic Planning R14,932 million;
- f) Programme 6: Tourism Arts and Entertainment R62,939 million; and
- g) Programme 7: Skills Development and Innovation R18,375 million.

Programmes	Final appropriation 2011/12 R'000	Actual expenditure R'000	Percentage deviation R'000
Administration	20 765	20 765	–
Integrated Economic Development Services	51 782	51 782	–
Trade and Sector Development	69 256	68 537	1.03
Business Regulation and Governance	19 021	19 021	–
Economic Planning	14 932	14 794	0.92
Tourism, Arts and Entertainment	62 939	62 823	0.18
Skills Development and Innovation	18 375	18 367	0.04
Total	257 070	256 089	0.38

The funding, as indicated above, was allocated to achieve the new provincial economic policy as articulated in Provincial Strategic Objective 1: Creation of Opportunities for Growth and Jobs (PSO 1). PSO 1 set ambitious targets of 4.2% economic growth and employment growth of 2% per annum. The necessary conditions to achieve this were then translated in five objective statements, namely:

- To develop and implement the economic strategic plan and policies in support of achieving opportunities for jobs and growth;
- To create an enabling environment (minimal hurdles, sustainable business growth, investment and job creation) through improvement in the regional business confidence index and growth in the employment rate;

- To facilitate demand-led, private sector-driven government support for growth sectors, industries and business by increasing the value of exports;
- To improve the competitiveness of the region through infrastructure-led economic growth; and
- To facilitate through EPWP 204 770 "100-day work opportunities" and 111 859 "full-time equivalents" between 2009 and 2014.

These objective statements therefore focused the Department's interventions onto the core focus areas, namely working towards improving the enabling environment, infrastructure-led economic development and job creation/facilitation.

a. Enabling business environment

The Department's interventions in ensuring that a supportive enabling business environment is developed have made significant progress over the past financial year. Firstly, a Red Tape unit was established to assist in the reduction of the cost of doing business in the region. In this regard, a dedicated call centre was established and operationalised where all enquiries can be logged, thereby ensuring that business and the ordinary citizen has an easy access point to make use of the service. To date, in excess of 320 cases have been logged and a resolution rate of 82% has been recorded. Furthermore, various strategic partnerships have been set up as part a government to business and government to government dialogue. This is housed within an Arbitration and Mediation institute. Lastly, various studies have also been commissioned to assist in this regard. These include a Cost of Doing Business Study (completed), Immigration study, Property Development study, Fine Foods Sector, Solar Water Geyser Replacement policy for the Western Cape Government, Exports and Entrepreneurship framework, among others.

In terms of improving the business climate within local regions, a LED working group was established consisting of various stakeholders from national, provincial and local government, and the South African Local Government Association (SALGA).

b. Infrastructure-led economic growth

The Department's Cape Catalyst project is a cross cutting initiative that houses a set of demand-led infrastructure orientated projects aimed at stimulating economic growth within the provincial economy and selected sectors, and radically improving the competitiveness of the region to allow for increased exports, business growth and job opportunities.

There are four key projects identified through the Cape Catalyst initiative, namely the Western Cape Broadband initiative, Cape Town Air Access into Africa, Conenco and the Atlantis Green Hub project.

c. Work opportunities

The purpose of these interventions is to narrow the gap between the skills demand and the supply of skills available to the business community. In this regard, the Department has established the Provincial Skills Development Forum (PSDF). There are five core areas of focus within the PSDF, namely: career awareness, artisan development, entrepreneurial skills support and workplace experience.

In terms of career awareness, the purpose is to guide youth to programmes for which they show an aptitude and can add to their respective skills sets. To date, the Department has undertaken a career awareness study and piloted a career awareness programme in Hanover Park in collaboration with the Department of Community Safety.

The artisan development initiative has also seen major developments with an artisan supply and demand study being undertaken and a collaboration with the National Artisan Moderation Body (NAMB) being initiated where the Western Cape will be used to pilot the establishment of a National Artisan Database.

Entrepreneurial skills support initiatives involves the equipping of existing and potential entrepreneurs with the necessary skills required to manage and operationalise their businesses. This programme is run in conjunction with the South African German Chamber of Commerce and Cape Activa.

The workplace experience programme undertaken by the Department is to facilitate workplace experience opportunities to especially youth and school leavers. To this extent, the Department has played a pivotal role in the Premier's Advancement of Youth programme (PAY) and the Work and Skills programme.

As at the end of the financial year, the Department expended 99.62% or R256,089 million of its adjusted appropriation. Of this annual expenditure, Administration accounted for 8%, Integrated Economic Development Services – 20%, Trade and Sector Development – 27%, Business Regulation and Governance – 7%, Economic Planning – 6%, Tourism, Arts and Entertainment – 25% and Skills Development and Innovation – 7%.

For the 2011/12 financial year, an amount of R5,334 million was budgeted for revenue collection. This revenue was sourced from the following:

- a) Liquor licence fees: R5,064 million; and
- b) Sales of goods and services (tourist guide registration fees): R270 000.

During the 2011/12 financial year, the Department over-collected on its revenue by R5,483 million or 102%. This over collection was primarily due to the over-collection on liquor licence fees amounting to R1,487 million, tourist guide registration amounting to R130 000 and the recovery of financial transactions from previous financial years amounting to R3,866 million.

The total revenue collected by the Department amounted to R10,817 million for the 2011/12 financial year.

2. SERVICE RENDERED BY THE DEPARTMENT

Services rendered by the Department include the registration of tourist guides and the issuing of liquor licences to compliant applicants.

2.1 Tariff policy

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

2.2 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.

4. UTILISATION OF DONOR FUNDS

No donor funding was received in the 2011/12 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); and
- The Western Cape Liquor Board (dormant).

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 R14,956 million was transferred to Wesgro in the 2011/12 financial year. This represents a decrease of 0.29% when compared to the 2010/11 financial year where an amount of R15,000 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 R35,439 million was transferred to the DMO in the 2011/12 financial year. This represents a decrease of 7.23% when compared to the 2010/11 financial year where an amount of R38,205 million was transferred.

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

Western Cape Liquor Board (dormant)

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 R9,333 million was expended by the Department for the activities of the Western Cape Liquor Board during the execution of its functions in the 2011/12 financial year.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

A list of all transfer payments made to entities and organisations is included in Annexure 1A, 1B, 1C, 1D, 1E and 1F to the Annual Financial Statements.

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

No PPPs were undertaken in the 2011/12 financial year.

8. CORPORATE GOVERNANCE ARRANGEMENTS

In responding to the increasing requirement of government to ensure effective and efficient governance processes, the Department has an established Governance Committee chaired by the Accounting Officer and represented by all senior management. This committee is chartered to drive all governance initiatives, that is, the requirements of King III and ensure an enabling environment for the entrenchment of sound governance principles.

Complimentary to the above, Provincial Treasury also conducts its annual Financial Governance Review and Outlook assessment which determines the financial management capability levels of departments. Contained in this assessment, the Department's governance arrangements are evaluated for effectiveness. During the 2011/12 assessment year, the Department achieved a level 3 capability rating (control level: all structures are in place) for the governance component of the assessment. This rating demonstrates the Department's commitment to objectifying good corporate governance in all its operations.

In terms of risk management, the Departmental Governance Committee compiled a strategic and programme risk register for the financial year 2011/12. In this more structured approach to risk management, risk-based decision-making is obligatory and the Department was thus able to add more value to strategic planning sessions where strategic directives are considered.

The 2011/12 financial year observed delivery against the Departmental Fraud Prevention Policy and Response Plan through the execution of the Fraud Prevention Awareness Campaign. The aim of this programme was to assert the Department's position with regards to the safeguarding of public funds, the eradication of corruption and value for money initiatives and equipping staff with the necessary information to identify and report potential fraudulent acts.

In operationalising fraud prevention initiatives in the Department and in the promotion of transparency and accountability, conflict of interest declarations are completed by all senior management, suppliers and members of bid committees.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

No activities were discontinued during the 2011/12 financial year.

10. NEW/PROPOSED ACTIVITIES

The initiatives conducted through the Red Tape unit have been elevated to sub-programme level during the 2012/13 financial year. This sub-programme will be housed within the Integrated Economic Development Services Programme.

The primary role this sub-programme will perform is to ensure that the barriers preventing businesses from doing business in the Western Cape are reduced.

11. ASSET MANAGEMENT

All assets purchased by the Department during the current and previous financial periods have been captured on the asset registers. The minimum requirements for the completeness of the asset register have been achieved. We concluded two stocktakes during the financial year and all assets were verified and/or updated on the asset register.

12. INVENTORIES

All inventory opening and closing balances, together with movements for the year have been reflected in Annexure 5 on Inventory. The Department does not maintain any stores for inventory. All inventory procured is issued and consumed during the period under review. The reason for this is that the Department will only procure inventory based on the demand and does not have storage capacity to procure in bulk and hence maintain a store.

13. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date.

14. INFORMATION ON PREDETERMINED OBJECTIVES

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.

15. SCOPA RESOLUTIONS

The SCOPA resolutions for the 2010/11 SCOPA hearings have been completed. The following are the resolutions and the responses thereto:

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Paragraph 20 of the audit report on page 182 of the 2010/11 Annual Report, refers.	The committee resolved that the Accounting Officer must ensure that regulations are in place and followed to prevent the abuse of sick leave.	The Department conducted a Human Resource inspection on all findings raised by the Auditor General, during the 2011/12 financial year. This inspection was aimed at ensuring that all regulations in this regard are in place and adhered to.
Matter as set out in paragraph 9 of the audit report on page 180 of the 2010/11 Annual Report.	The Department must brief the committee on the evaluation of the Convention Centre.	<p>The Department liaised with the City of Cape Town (CCT) in determining the calculation of the impairment of the investment in CTICC.</p> <p>CCT in conjunction with the technical department of PricewaterhouseCoopers (PWC) concluded that CCTIC should comply with SA GAAP and therefore IAS 36 is applicable and not IPSAS 21.</p> <p>The next issue was to identify the valuation method. Only two methods can be used from IAS 36:</p> <ul style="list-style-type: none"> (i) Fair value less cost to sell; and (ii) Value in use <p>As there is no binding sale agreement or active market for the asset as well as the fact that the building's use is limited to that of a convention centre, the fair value less cost to sell is not an appropriate method of valuation.</p> <p>Therefore the only option was "value in use".</p> <p>The Department's impairment is based on the calculation of CCT.</p> <p>CCT is audited on an annual basis and no concerns regarding the calculation of the impairment amount has been raised as yet.</p>
	During the discussion of the Annual Report, the Minister of Finance and Economic Development suggested that the Department briefs the committee on the film studios. The committee resolved that it be briefed on the above.	The Department is currently preparing a briefing document.
Reference to transfer payments of R7.5 million made by the Department to South African Oil and Gas Alliance during the year (2009/10: R6.82 million) in Annexure 1D on page 44 of the 2010/11 Annual Report.	The committee noted the delay in completion of the FIU investigation on cases. It resolved that the Department should give the FIU specific timeframes to deal with cases/investigations.	The Department entered into a Service Level Agreement with the Forensic Investigative Unit which includes the timeframes.

16. PRIOR MODIFICATIONS TO AUDIT REPORTS

The main concerns highlighted by the Auditor-General with the corrective actions taken by the Department are as follows:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
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.	2010/11	All suppliers are now required and have submitted declarations in this regard.
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).	2010/11	The Department conducted a Human Resource inspection on all findings raised by the Auditor General, during the 2011/12 financial year. This inspection was aimed at ensuring that all regulations in this regard are in place and adhered to.
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).	2010/11	The Department conducted a Human Resource inspection on all findings raised by the Auditor General, during the 2011/12 financial year. This inspection was aimed at ensuring that all regulations in this regard are in place and adhered to.

17. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

In terms of section 79 of the PFMA, the National Treasury approved a departure from the disclosure of amortisation tables for finance lease expenditure in respect of GG vehicles as required in terms of the Departmental Reporting Framework Guide. Steps are being implemented to ensure full disclosure of GG vehicle expenditure as finance leases, including amortisation tables, for the 2012/13 financial year.

18. INTERIM FINANCIAL STATEMENTS

The Department complied with the financial prescripts by submitting interim financial statements (IFS) timeously to Provincial Treasury. The IFS submitted was free of material misstatements and fairly represented the financial position of the Department.

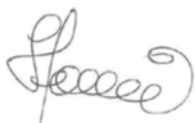
19. OTHER

19.1 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.

20. APPROVAL

The Annual Financial Statements set out on page 112 to 165 have been approved by the Accounting Officer(s).



Solly Fourie
Accounting Officer

31 July 2012

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Western Cape Department of Economic Development and Tourism set out on pages 112 to 157, which comprise the appropriation statement, statement of financial position as at 31 March 2012, the statement of financial performance, and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 the manner required by the Public Finance Management Act of South Africa, 1999 (Act 1 of 1999) (PFMA), and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. 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.
4. 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 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Economic Development and Tourism as at 31 March 2012, 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

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

Material impairment

8. As disclosed in notes 12 and 28 to the financial statements, the investment of R142 million held by the Department in the Cape Town International Convention Centre, was accumulatively impaired with R116 283 000 at 31 March 2012.

Additional matters

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 158 to 165 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.

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the Department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they “present fairly”. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 31 to 98 of the Annual Report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury Annual Reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.
15. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
16. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matter

17. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the matter below.

Achievement of planned targets

18. Of the total number of planned targets, 54 were not achieved during the year under review. This represents 25% of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process. Adequate explanations were reported where targets were not met.

Compliance with laws and regulations

19. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA as follows:

Procurement and contract management

20. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.

21. Quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury Regulation 16A8.3.

Expenditure management

22. The Accounting Officer did not take effective steps to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1.

Human resource management

23. Appointments were made without the recommendation of a selection committee in contravention of Public Service Regulation 1/VII/1-4.
24. Employees were appointed without following a proper process to verify the claims made in their application in contravention of Public Service Regulation 1/VII/D.8.

Internal control

25. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with laws and regulations. The matters below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations in this report.

Leadership

26. 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 SCM regulations and the Public Service Regulations.

Financial and performance management

27. Human resource policies and practices have not been adequately implemented to facilitate the completeness and accuracy of employee related files and documentation and adherence to the Public Service Regulations.
28. Adherence to the requirements of SCM regulations and the Public Service Regulations was not adequately monitored by the supply chain and human resource managers due to inadequate monitoring controls exercised by them.

OTHER REPORTS

Investigations

29. An investigation is being conducted by the Accounting Officer to establish possible financial misconduct by employees. The investigation was still ongoing at the reporting date.
30. Three cases of procurement fraud, financial irregularities and misuse of state funds are being investigated by the Provincial Forensic Investigation Unit (FIU). These investigations were still ongoing at the reporting date.
31. An investigation was conducted by the Provincial FIU based on an allegation of corruption in the "special purpose vehicle" funded by the Department. No evidence was identified that corroborated the allegation.

Auditor-General

Cape Town
31 July 2012



APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Appropriation per programme									
Appropriation statement	2011/12							2010/11	
	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
1. ADMINISTRATION									
Current payment	20 175	(646)	210	19 739	19 739	–	100	23 377	23 377
Transfers and subsidies	–	44	–	44	44	–	100	216	216
Payment for capital assets	380	570	–	950	950	–	100	830	830
Payment for financial assets	–	32	–	32	32	–	100	14	14
	20 555	–	210	20 765	20 765	–		24 437	24 437
2. INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
Current payment	23 053	(222)	516	23 347	23 347	–	100	15 149	15 149
Transfers and subsidies	27 900	–	–	27 900	27 900	–	100	35 950	35 950
Payment for capital assets	313	212	–	525	525	–	100	397	362
Payment for financial assets	–	10	–	10	10	–	100	–	–
	51 266	–	516	51 782	51 782	–		51 496	51 461
3. TRADE AND SECTOR DEVELOPMENT									
Current payment	27 373	(1 981)	(967)	24 425	23 706	719	97.1	13 985	12 795
Transfers and subsidies	42 756	1 801	–	44 557	44 557	–	100	41 367	41 367
Payment for capital assets	94	180	–	274	274	–	100	274	274
Payment for financial assets	–	–	–	–	–	–		1	1
	70 223	–	(967)	69 256	68 537	719		55 627	54 437
4. BUSINESS REGULATION AND GOVERNANCE									
Current payment	18 574	(261)	241	18 554	18 554	–	100	15 706	14 596
Transfers and subsidies	–	–	–	–	–	–	–	950	950
Payment for capital assets	206	261	–	467	467	–	100	478	478
Payment for financial assets	–	–	–	–	–	–	–	9	9
	18 780	–	241	19 021	19 021	–		17 143	16 033
5. ECONOMIC PLANNING									
Current payment	14 843	(561)	–	14 282	14 144	138	99	11 713	11 452
Transfers and subsidies	–	500	–	500	500	–	100	9	9
Payment for capital assets	89	61	–	150	150	–	100	338	338
	14 932	–	–	14 932	14 794	138		12 060	11 799
6. TOURISM, ARTS AND ENTERTAINMENT									
Current payment	16 526	(868)	–	15 658	15 542	116	99.3	14 631	14 629
Transfers and subsidies	46 298	602	–	46 900	46 900	–	100	48 913	48 913
Payment for capital assets	115	266	–	381	381	–	100	446	446
	62 939	–	–	62 939	62 823	116		63 990	63 988
7. SKILLS DEVELOPMENT AND INNOVATION									
Current payment	4 541	(792)	–	3 749	3 741	8	99.8	1 533	2 337
Transfers and subsidies	13 800	500	–	14 300	14 300	–	100	11 200	11 200
Payment for capital assets	34	292	–	326	326	–	100	58	58
Payment for financial assets	–	–	–	–	–	–	–	–	1
	18 375	–	–	18 375	18 367	8		12 791	13 596
Total	257 070	–	–	257 070	256 089	981	99.6	237 544	235 751

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	2011/12		2010/11	
	Final appropriation	Actual expenditure	Final appropriation	Actual expenditure
Total (brought forward)	257 070		237 544	
Reconciliation with statement of financial performance				
Add				
Departmental receipts	5 484		3 202	
Actual amounts per statement of financial performance (total revenue)	262 554		240 746	
Actual amounts per statement of financial performance (total expenditure)		256 089		235 751

Appropriation per economic classification									
	2011/12							2010/11	
	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	78 340	(2 822)	(502)	75 016	74 970	46	99.9	67 862	67 742
Goods and services	46 745	(2 512)	502	44 735	43 800	935	97.9	28 226	26 588
Interest and rent on land	–	3	–	3	3	–	100	6	6
Transfers and subsidies									
Provinces and municipalities	1 000	–	–	1 000	1 000	–	100	–	–
Departmental agencies and accounts	51 395	1 000	–	52 395	52 395	–	100	54 605	54 605
Universities and technikons	900	500	–	1 400	1 400	–	100	144	144
Public corporations and private enterprises	28 300	(1 000)	–	27 300	27 300	–	100	45 750	45 750
Non-profit institutions	48 295	2 901	–	51 196	51 196	–	100	37 055	37 055
Households	864	46	–	910	910	–	100	1 051	1 051
Payments for capital assets									
Machinery and equipment	1 231	1 575	–	2 806	2 806	–	100	2 178	2 166
Software and other intangible assets	–	267	–	267	267	–	100	643	620
Payments for financial assets	–	42	–	42	42	–	100	24	24
Total	257 070	–	–	257 070	256 089	981	99.6	237 544	235 751

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

PROGRAMME 1: ADMINISTRATION

Detail per sub-programme	2011/12							2010/11	
	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
1.1 OFFICE OF THE HOD									
Current payment	2 414	(178)	–	2 236	2 236	–	100	1 847	1 847
Payment for capital assets	23	–	–	23	23	–	100	45	45
1.2 FINANCIAL MANAGEMENT									
Current payment	16 427	(439)	210	16 198	16 198	–	100	15 715	15 715
Payment for capital assets	256	611	–	867	867	–	100	702	702
Payment for financial assets	–	32	–	32	32	–	100	14	14
1.3 CORPORATE SERVICES									
Current payment	1 334	(29)	–	1 305	1 305	–	100	5 815	5 815
Transfers and subsidies	–	44	–	44	44	–	100	216	216
Payment for capital assets	101	(41)	–	60	60	–	100	83	83
Total	20 555	–	210	20 765	20 765	–	100	24 437	24 437

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Economic classification	2011/12							2010/11	
	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	14 485	(276)	–	14 209	14 209	–	100	16 835	16 835
Goods and services	5 690	(371)	210	5 529	5 529	–	100	6 541	6 541
Interest and rent on land	–	1	–	1	1	–	100	1	1
Transfers and subsidies to:									
Households	–	44	–	44	44	–	100	216	216
Payment for capital assets									
Machinery and equipment	380	329	–	709	709	–	100	751	751
Software and other intangible assets	–	241	–	241	241	–	100	79	79
Payments for financial assets	–	32	–	32	32	–	100	14	14
Total	20 555	–	210	20 765	20 765	–	100	24 437	24 437

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Detail per sub-programme	2011/12							2010/11	
	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
2.1 ENTERPRISE DEVELOPMENT									
Current payment	8 709	(91)	379	8 997	8 997	–	100	4 906	4 906
Transfers and subsidies	19 050	–	–	19 050	19 050	–	100	30 000	30 000
Payment for capital assets	144	56	–	200	200	–	100	117	117
2.2 REGIONAL AND LOCAL ECONOMIC DEVELOPMENT									
Current payment	5 712	(401)	–	5 311	5 311	–	100	4 047	4 047
Transfers and subsidies	4 000	–	–	4 000	4 000	–	100	4 900	4 900
Payment for capital assets	65	67	–	132	132	–	100	93	93
Payment for financial assets	–	3	–	3	3	–	100	–	–
2.3 ECONOMIC EMPOWERMENTS									
Current payment	5 120	630	137	5 887	5 887	–	100	4 537	4 537
Transfers and subsidies	–	–	–	–	–	–	–	1 050	1 050
Payment for capital assets	56	46	–	102	102	–	100	113	113
2.4 MANAGEMENT INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
Current payment	3 512	(360)	–	3 152	3 152	–	100	1 659	1 659
Transfers and subsidies	4 850	–	–	4 850	4 850	–	100	–	–
Payment for capital assets	48	43	–	91	91	–	100	74	39
Payment for financial assets	–	7	–	7	7	–	100	–	–
Total	51 266	–	516	51 782	51 782	–	100	51 496	51 461

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Economic classification	2011/12							2010/11	
	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	13 873	(1 476)	–	12 397	12 397	–	100	11 486	11 486
Goods and services	9 180	1 254	516	10 950	10 950	–	100	3 661	3 661
Interest and rent on land	–	–	–	–	–	–	–	2	2
Transfers and subsidies to:									
Departmental agencies and accounts	1 000	–	–	1 000	1 000	–	100	–	–
Public corporations and private enterprises	21 100	–	–	21 100	21 100	–	100	34 900	34 900
Non-profit institutions	5 800	–	–	5 800	5 800	–	100	1 050	1 050
Payment for capital assets									
Machinery and equipment	313	212	–	525	525	–	100	234	222
Software and other intangible assets	–	–	–	–	–	–	–	163	140
Payments for financial assets	–	10	–	10	10	–	100	–	–
Total	51 266	–	516	51 782	51 782	–	100	51 496	51 461

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012
PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Detail per sub-programme	2011/12							2010/11	
	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
3.1 TRADE AND INVESTMENT PROMOTION									
Transfers and subsidies	14 956	–	–	14 956	14 956	–	100	15 000	15 000
3.2 SECTOR DEVELOPMENT									
Current payment	10 411	11	(642)	9 780	9 741	39	99.6	8 806	7 804
Transfers and subsidies	25 700	–	–	25 700	25 700	–	100	24 865	24 865
Payment for capital assets	66	70	–	136	136	–	100	134	134
Payment for financial assets	–	–	–	–	–	–	–	1	1
3.3 STRATEGIC INITIATIVES									
Current payment	15 100	(1 940)	(325)	12 835	12 164	671	94.8	3 477	3 289
Transfers and subsidies	2 100	1 801	–	3 901	3 901	–	100	1 502	1 502
Payment for capital assets	11	107	–	118	118	–	100	14	14
3.4 MANAGEMENT TRADE AND SECTOR DEVELOPMENT									
Current payment	1 862	(52)	–	1 810	1 801	9	99.5	1 702	1 702
Payment for capital assets	17	3	–	20	20	–	100	126	126
Total	70 223	–	(967)	69 256	68 537	719	99	55 627	54 437

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Economic classification	2011/12							2010/11	
	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	13 051	(76)	(502)	12 473	12 466	7	99.9	11 082	10 238
Goods and services	14 322	(1 906)	(465)	11 951	11 239	712	94.1	2 902	2 557
Interest and rent on land	–	1	–	1	1	–	100	1	1
Transfers and subsidies to:									
Departmental agencies and accounts	14 956	–	–	14 956	14 956	–	100	15 000	15 000
Non-profit institutions	27 800	1 801	–	29 601	29 601	–	100	26 360	26 360
Households	–	–	–	–	–	–	–	7	7
Payment for capital assets									
Machinery and equipment	94	180	–	274	274	–	100	161	161
Software and other intangible assets	–	–	–	–	–	–	–	113	113
Payments for financial assets	–	–	–	–	–	–	–	1	–
Total	70 223	–	(967)	69 256	68 537	719	99	55 627	54 437

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012
PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Detail per sub-programme	2011/12							2010/11	
	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
4.1 REGULATION SERVICES									
Current payment	–	–	–	–	–	–	–	30	–
4.2 CONSUMER PROTECTION									
Current payment	9 689	(469)	241	9 461	9 461	–	100	8 620	8 258
Transfers and subsidies	–	–	–	–	–	–	–	200	200
Payment for capital assets	62	165	–	227	227	–	100	267	267
Payment for financial assets	–	–	–	–	–	–	–	9	9
4.3 LIQUOR REGULATION									
Current payment	8 885	208	–	9 093	9 093	–	100	7 056	6 338
Transfers and subsidies	–	–	–	–	–	–	–	750	750
Payment for capital assets	144	96	–	240	240	–	100	211	211
Total	18 780	–	241	19 021	19 021	–	100	17 143	16 033

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Economic classification	2011/12							2010/11	
	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	13 054	(379)	–	12 675	12 675	–	100	10 123	10 118
Goods and services	5 520	118	241	5 879	5 879	–	100	5 583	4 478
Transfers and subsidies to:									
Non-profit institutions	–	–	–	–	–	–	–	950	950
Payment for capital assets									
Machinery and equipment	206	235	–	441	441	–	100	393	393
Software and other intangible assets	–	26	–	26	26	–	100	85	85
Payments for financial assets	–	–	–	–	–	–	–	9	9
Total	18 780	–	241	19 021	19 021	–	100	17 143	16 033

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012
PROGRAMME 5: ECONOMIC PLANNING

Detail per sub-programme	2011/12							2010/11	
	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	1 078	216	–	1 294	1 294	–	100	813	776
Payment for capital assets	–	–	–	–	–	–		6	6
5.2 RESEARCH AND DEVELOPMENT									
Current payment	4 665	(510)	–	4 155	4 143	12	99.7	4 169	4 037
Payment for capital assets	37	(25)	–	12	12	–	100	117	117
5.3 KNOWLEDGE MANAGEMENT									
Current payment	2 544	21	–	2 565	2 469	96	96.3	998	998
Payment for capital assets	–	46	–	46	46	–	100	59	59
5.4 MONITORING AND EVALUATION									
Current payment	2 566	(472)	–	2 094	2 093	1	100	2 482	2 455
Transfers and subsidies	–	–	–	–	–	–	–	9	9
Payment for capital assets	15	7	–	22	22	–	100	68	68
5.5 MANAGEMENT ECONOMIC PLANNING									
Current payment	3 990	184	–	4 174	4 145	29	99.3	3 251	3 186
Transfers and subsidies	–	500	–	500	500	–	100	–	–
Payment for capital assets	37	33	–	70	70	–	100	88	88
Total	14 932	–	–	14 932	14 794	138	99.1	12 060	11 799

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Economic classification	2011/12							2010/11	
	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	9 219	(184)	–	9 035	9 023	12	99.9	6 430	6 430
Goods and services	5 624	(377)	–	5 247	5 121	126	97.6	5 282	5 021
Interest and rent on land	–	–	–	–	–	–	–	1	1
Transfers and subsidies to:									
Non-profit institutions	–	500	–	500	500	–	100	–	–
Households	–	–	–	–	–	–	–	9	9
Payment for capital assets									
Machinery and equipment	89	61	–	150	150	–	100	248	248
Software and other intangible assets	–	–	–	–	–	–	–	90	90
Total	14 932	–	–	14 932	14 794	138	99.1	12 060	11 799

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012
PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

Detail per sub-programme	2011/12							2010/11	
	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
6.1 MANAGEMENT TOURISM									
Current payment	2 978	(112)	–	2 866	2 842	24	99.2	2 818	2 818
Payment for capital assets	28	70	–	98	98	–	100	163	163
6.2 TOURISM GROWTH									
Current payment	5 418	(458)	–	4 960	4 904	56	98.9	4 528	4 527
Transfers and subsidies	2 500	–	–	2 500	2 500	–	100	1 150	1 150
Payment for capital assets	18	84	–	102	102	–	100	112	112
6.3 TOURISM PARTICIPATION									
Current payment	6 577	(185)	–	6 392	6 356	36	99.4	6 145	6 144
Transfers and subsidies	864	2	–	866	866	–	100	2 063	2 063
Payment for capital assets	67	93	–	160	160	–	100	152	152
6.4 DESTINATION MARKETING ORGANISATION									
Transfers and subsidies	35 439	–	–	35 439	35 439	–	100	38 205	38 205
6.5 COMMERCIAL ARTS AND ENTERTAINMENT									
Current payment	1 553	(113)	–	1 440	1 441	–	100	1 140	1 140
Transfers and subsidies	7 495	600	–	8 095	8 095	–	100	7 495	7 495
Payment for capital assets	2	19	–	21	21	–	100	19	19
Total	62 939	–	–	62 939	62 823	116	99.8	63 990	63 988

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Economic classification	2011/12							2010/11	
	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	11 666	(461)	–	11 205	11 178	27	99.8	10 541	10 541
Goods and services	4 860	(408)	–	4 452	4 363	89	98	4 089	4 087
Interest and rent on land	–	1	–	1	1	–	100	1	1
Transfers and subsidies to:									
Provinces and municipalities	1 000	–	–	1 000	1 000	–	100	–	–
Departmental agencies and accounts	35 439	1 000	–	36 439	36 439	–	100	39 605	39 605
Universities and technikons	–	–	–	–	–	–	–	144	144
Public corporations and private enterprises	1 000	(1 000)	–	–	–	–	–	850	850
Non-profit institutions	7 995	600	–	8 595	8 595	–	100	7 495	7 495
Households	864	2	–	866	866	–	100	819	819
Payment for capital assets									
Machinery and equipment	115	266	–	381	381	–	100	356	356
Software and other intangible assets	–	–	–	–	–	–	–	90	90
Total	62 939	–	–	62 939	62 823	116	99.8	63 990	63 988

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012
PROGRAMME 7: SKILLS DEVELOPMENT AND INNOVATION

Detail per sub-programme	2011/12							2010/11	
	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
7.1 PROVINCIAL SKILLS COORDINATION									
Current payment	1 851	(221)	–	1 630	1 622	8	99.5	–	–
Transfers and subsidies	500	–	–	500	500	–	100	–	–
Payment for capital assets	–	213	–	213	213	–	100	–	–
7.2 WORKFORCE DEVELOPMENT									
Current payment	526	(10)	–	516	516	–	100	1 533	2 337
Transfers and subsidies	12 400	–	–	12 400	12 400	–	100	11 200	11 200
Payment for capital assets	34	14	–	48	48	–	100	58	58
Payment for financial assets	–	–	–	–	–	–		–	1
7.3 INNOVATION									
Current payment	1 151	(510)	–	641	641	–	100	–	–
Transfers and subsidies	900	500	–	1 400	1 400	–	100	–	–
Payment for capital assets	–	13	–	13	13	–	100	–	–
7.4 MANAGEMENT SKILLS DEVELOPMENT AND INNOVATION									
Current payment	1 013	(51)	–	962	962	–	100	–	–
Payment for capital assets	–	52	–	52	52	–	100	–	–
Total	18 375	–	–	18 375	18 367	8	100	12 791	13 596

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Economic classification	2011/12							2010/11	
	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	2 992	30	–	3 022	3 022	–	100	1 365	2 094
Goods and services	1 549	(822)	–	727	719	8	98.9	168	243
Transfers and subsidies to:									
Universities and technikons	900	500	–	1 400	1 400	–	100	–	–
Public corporations and private enterprises	6 200	–	–	6 200	6 200	–	100	10 000	10 000
Non-profit institutions	6 700	–	–	6 700	6 700	–	100	1 200	1 200
Payment for capital assets									
Machinery and equipment	34	292	–	326	326	–	100	35	35
Software and other intangible assets	–	–	–	–	–	–		23	23
Payments for financial assets	–	–	–	–	–	–		–	1
Total	18 375	–	–	18 375	18 367	8	100	12 791	13 596

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 – F) 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	Variance as a % of final appropriation
Administration	20 765	20 765	–	–
Integrated Economic Development and Services	51 782	51 782	–	–
Trade and Sector Development	69 256	68 537	719	1
Business Regulation and Governance	19 021	19 021	–	–
Economic Planning	14 932	14 794	138	1
Tourism, Arts and Entertainment	62 939	62 823	116	–
Skills Development and Innovation	18 375	18 367	8	–

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	75 016	74 970	46	0.1
Goods and services	44 735	43 800	935	2.0
Interest and rent on land	3	3	–	
Unauthorised expenditure approved				
Transfers and subsidies				
Provinces and municipalities	1 000	1 000	–	
Departmental agencies and accounts	52 395	52 395	–	
Universities and technikons	1 400	1 400	–	
Public corporations and private enterprises	27 300	27 300	–	
Non-profit institutions	51 196	51 196	–	
Households	910	910	–	
Payments for capital assets				
Machinery and equipment	2 806	2 806	–	
Software and other intangible assets	267	267	–	
Payments for financial assets				
	42	42	–	

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2012

Performance	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Annual appropriation	1	257 070	237 544
Departmental revenue	2	5 484	3 202
TOTAL REVENUE		262 554	240 746
EXPENDITURE			
Current expenditure			
Compensation of employees	3	74 970	67 742
Goods and services	4	43 800	26 584
Interest and rent on land	5	3	6
Total current expenditure		118 773	94 332
Transfers and subsidies			
Transfers and subsidies	7	134 201	138 605
Total transfers and subsidies		134 201	138 605
Expenditure for capital assets			
Tangible capital assets	8	2 806	2 170
Software and other intangible assets	8	267	620
Total expenditure for capital assets		3 073	2 790
Payments for financial assets	6	42	24
TOTAL EXPENDITURE		256 089	235 751
SURPLUS FOR THE YEAR		6 465	4 995
Reconciliation of net surplus/(deficit) for the year			
Voted funds		981	1 793
Departmental revenue and NRF Receipts	14	5 484	3 202
SURPLUS/(DEFICIT) FOR THE YEAR		6 465	4 995

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

Position	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Current assets		6 558	2 080
Cash and cash equivalents	9	5 890	1 842
Prepayments and advances	10	10	40
Receivables	11	658	198
Non-current assets		142 000	142 000
Investments	12	142 000	142 000
TOTAL ASSETS		148 558	144 080
LIABILITIES			
Current liabilities		6 516	2 016
Voted funds to be surrendered to the Revenue Fund	13	981	1 793
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	67	182
Bank overdraft	15	5 443	41
Payables	16	25	–
TOTAL LIABILITIES		6 516	2 016
NET ASSETS		142 042	142 064
Represented by:			
Capitalisation reserve		142 000	142 000
Recoverable revenue		42	64
TOTAL		142 042	142 064

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2012

Net assets	2011/12 R'000	2010/11 R'000
Capitalisation reserves		
Opening balance	142 000	142 000
Closing balance	142 000	142 000
Recoverable revenue		
Opening balance	64	8
Transfers:	(22)	56
Irrecoverable amounts written off	-	1
Debts revised	(1)	(1)
Debts recovered (included in departmental receipts)	(21)	(9)
Debts raised	-	65
Closing balance	42	64
TOTAL	142 042	142 064

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

Cash flow	Note	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		267 888	244 814
Annual appropriated funds received	1.1	257 070	237 544
Departmental revenue received	2	10 818	7 270
Net (increase) in working capital		(405)	(37)
Surrendered to Revenue Fund		(12 726)	(8 367)
Current payments		(118 773)	(94 332)
Payments for financial assets		(42)	(24)
Transfers and subsidies paid		(134 201)	(138 605)
Net cash flow available from operating activities	17	1 741	3 449
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(3 073)	(2 790)
Net cash flows from investing activities		(3 073)	(2 790)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)/increase in net assets		(22)	56
Net cash flows from financing activities		(22)	56
(Decrease)/increase in cash and cash equivalents		(1 354)	715
Cash and cash equivalents at beginning of period		1 801	1 086
Cash and cash equivalents at end of period	18	447	1 801

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.

2 REVENUE

2.1 Appropriated funds

Appropriated funds comprises 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 at the end of the financial year 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.

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.

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.

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 statements 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 potentially 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.

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.

4.8.3 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the Department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

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.

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 statement.

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 Revenue Fund when the underlying 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 (PPP)

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.

11 GG VEHICLE EXPENDITURE AND COMMITMENTS

The National Treasury approved a departure from the disclosure of apportioning finance lease expenditure and future financial commitments between capital and interest as prescribed by the accounting policy in paragraph 5.7 above, due to the late finalisation of the disagreement on the accounting treatment for the GG vehicles. Future finance lease commitments have been disclosed using the CPIX rate as the basis for annual increments.

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 R'000	2011/12 Actual funds received R'000	Funds not requested/not received R'000	2010/11 Appropriation received R'000
Administration	20 765	20 765	–	24 437
Integrated Economic Development Services	51 782	51 782	–	64 287
Trade and Sector Development	69 256	69 256	–	55 627
Business Regulation and Governance	19 021	19 021	–	17 143
Economic Planning	14 932	14 932	–	12 060
Tourism, Arts and Entertainment	62 939	62 939	–	63 990
Skills Development and Innovation	18 375	18 375	–	–
Total	257 070	257 070	–	237 544

	Note	2011/12 R'000	2010/11 R'000
2 DEPARTMENTAL REVENUE			
Tax revenue		6 550	6 427
Sales of goods and services other than capital assets	2.1	400	494
Interest, dividends and rent on land	2.2	1	1
Transactions in financial assets and liabilities	2.3	3 867	348
Total revenue collected		10 818	7 270
Less: own revenue included in appropriation	14	5 334	4 068
Departmental revenue collected		5 484	3 202

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the Department

Sales by market establishment		1	1
Administrative fees		356	448
Other sales		43	45
Total		400	494

2.2 Interest, dividends and rent on land

Interest		1	1
Total		1	1

2.3 Transactions in financial assets and liabilities

Receivables		–	7
Other receipts including recoverable revenue		3 867	341
Total		3 867	348

	Note	2011/12 R'000	2010/11 R'000
3 COMPENSATION OF EMPLOYEES			
3.1 Salaries and wages			
Basic salary		50 735	46 006
Performance award		924	766
Service-based		153	74
Compensative/circumstantial		1 271	991
Periodic payments		2 157	1 789
Other non-pensionable allowances		11 606	10 255
Total		66 846	59 881
3.2 Social contributions			
Employer contributions			
Pension		6 003	5 697
Medical		2 110	2 153
Bargaining council		11	11
Total		8 124	7 861
Total compensation of employees		74 970	67 742
Number of employees		297	274

4 GOODS AND SERVICES

Administrative fees		314	223
Advertising		1 413	646
Assets less than R5 000	4.1	495	261
Bursaries (employees)		496	722
Catering		955	610
Communication		1 718	1 486
Computer services	4.2	908	762
Consultants, contractors and agency/outsourced services	4.3	26 133	11 958
Entertainment		47	36
Audit cost – external	4.4	2 364	2 728
Inventory	4.5	1 749	1 517
Operating leases		364	377
Rental and hiring		4	–
Transport provided as part of the Departmental activities		–	10
Travel and subsistence	4.6	3 854	2 482
Venues and facilities		1 040	582
Training and staff development		1 080	1 609
Other operating expenditure	4.7	866	575
Total		43 800	26 584

	Note	2011/12 R'000	2010/11 R'000
4.1 Assets less than R5 000			
Tangible assets	4		
Machinery and equipment		495	256
Intangible assets		–	5
Total		495	261
4.2 Computer services	4		
SITA computer services		269	231
External computer service providers		639	531
Total		908	762
4.3 Consultants, contractors and agency/outsourced services	4		
Business and advisory services		24 504	9 138
Legal costs		78	390
Contractors		1 017	439
Agency and support/outsourced services		534	1 991
Total		26 133	11 958
4.4 Audit cost – External	4		
Regularity audits		2 364	2 728
Total		2 364	2 728
4.5 Inventory	4		
Food and food supplies		29	31
Other consumables		80	73
Materials and supplies		20	62
Stationery and printing		1 620	1 350
Medical supplies		–	1
Total		1 749	1 517
4.6 Travel and subsistence	4		
Local		3 344	2 150
Foreign		510	332
Total		3 854	2 482
4.7 Other operating expenditure	4		
Other		866	575
Total		866	575
5 INTEREST AND RENT ON LAND	4		
Interest paid		3	6
Total		3	6

	Note	2011/12 R'000	2010/11 R'000
6 PAYMENTS FOR FINANCIAL ASSETS			
Debts written off	6.1	42	–
Theft	6.2	–	24
Total		42	24
6.1 Debts written off			
	6		
Nature of debts written off			
Damages to vehicles		15	–
Telephone debt		3	–
Equipment		17	–
Salary overpayment		7	–
Total		42	–
6.2 Detail of theft			
	6		
Nature of theft			
Stolen Monitor		–	9
Damaged Laptop		–	14
Damaged hired vehicle		–	1
Total		–	24
7 TRANSFERS AND SUBSIDIES			
Municipalities	Annex 1A	1 000	–
Departmental agencies and accounts	Annex 1B	52 395	54 605
Universities and technikons	Annex 1C	1 400	144
Public corporations and private enterprises	Annex 1D	27 300	45 750
Non-profit institutions	Annex 1E	51 196	37 055
Households	Annex 1F	910	1 051
Total		134 201	138 605
8 EXPENDITURE FOR CAPITAL ASSETS			
Tangible assets		2 806	2 170
Machinery and equipment	30	2 806	2 170
Software and other intangible assets		267	620
Computer software	31	267	620
Total		3 073	2 790

GG vehicle daily tariff expenditure was reclassified from operating lease expenditure to finance lease expenditure in the 2011/12 AFS and hence restated for the 2010/11 comparatives.

	Voted funds R'000	Aid assistance R'000	Total R'000
8.1 Analysis of funds utilised to acquire capital assets – 2011/12			
Tangible assets			
Machinery and equipment	2 806	–	2 806
Software and other intangible assets			
Computer software	267	–	267
Total	3 073	–	3 073

8.2 Analysis of funds utilised to acquire capital assets – 2010/11			
Tangible assets			
Machinery and equipment	2 170	–	2 170
Software and other intangible assets			
Computer software	620	–	620
Total	2 790	–	2 790

	2011/12 R'000	2010/11 R'000
9 CASH AND CASH EQUIVALENTS		
Disbursements	–	30
Cash on hand	10	10
Investments (local)	5 880	1 802
Total	5 890	1 842

10 PREPAYMENTS AND ADVANCES		
Travel and subsistence	10	40
Total	10	40

	Note	2011/12			Total R'000	2010/11 Total R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
11 RECEIVABLES						
Claims recoverable	11.1, Annex 3	499	–	–	499	20
Recoverable expenditure	11.2	24	1	5	30	48
Staff debt	11.3	53	67	9	129	130
Total		576	68	14	658	198

	Note	2011/12 R'000	2010/11 R'000
11.1 Claims recoverable			
	11		
Provincial department		499	20
Total		499	20
11.2 Recoverable expenditure (disallowance accounts)			
Disallowance damages and losses		25	45
Disallowance miscellaneous		–	3
Salary: Tax debt		5	–
Total		30	48
11.3 Staff debt			
Debt account		129	130
Total		129	130

12 INVESTMENTS

Non-current

Shares and other equity

Cape Town International Convention Centre	142 000	142 000
Total	142 000	142 000

Analysis of non-current investments

Opening balance	142 000	142 000
Closing balance	142 000	142 000

13 VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

Opening balance	1 793	1 249
Transfer from statement of financial performance	981	1 793
Paid during the year	(1 793)	(1 249)
Closing balance	981	1 793

	Note	2011/12 R'000	2010/11 R'000
14 DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND			
Opening balance		182	30
Transfer from statement of financial performance		5 484	3 202
Own revenue included in appropriation		5 334	4 068
Paid during the year		(10 933)	(7 118)
Closing balance		67	182

15 BANK OVERDRAFT			
Consolidated Paymaster General account		5 443	41
Total		5 443	41

16 PAYABLES – CURRENT			
Clearing accounts	16.1	25	–
Total		25	–

16.1 Clearing accounts			
Description	16		
Salary income tax		25	–
Total		25	–

17 NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES			
Net surplus as per statement of financial performance		6 465	4 995
Add back non-cash/cash movements not deemed operating activities		(4 724)	(1 546)
(Increase)/decrease in receivables – current		(460)	4
Decrease/(increase) in prepayments and advances		30	(40)
Increase/(decrease) in payables – current		25	(1)
Expenditure on capital assets		3 073	2 790
Surrenders to Revenue Fund		(12 726)	(8 367)
Own revenue included in appropriation		5 334	4 068
Net cash flow generated by operating activities		1 741	3 449

18 RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES			
Consolidated Paymaster General account		(5 443)	(41)
Disbursements		–	30
Cash on hand		10	10
Cash with commercial banks (local)		5 880	1 802
Total		447	1 801

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

	Note	2011/12 R'000	2010/11 R'000
19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS			
19.1 Contingent liabilities			
Liable to nature			
Claims against the Department	Annex 2	23	125
Other departments (interdepartmental unconfirmed balances)	Annex 4	21	–
Total		44	125

20 COMMITMENTS

Current expenditure

Approved and contracted		3 454	5 555
		3 454	5 555

Capital expenditure

Approved and contracted		98	16
		98	16

Total commitments		3 552	5 571
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	2011/12			2010/11 Total R'000
	30 days R'000	30+ days R'000	Total R'000	

21 ACCRUALS

Listed by economic classification

Goods and services	678	204	882	944
Capital assets	28	27	55	28
Other	–	–	–	4
Total	706	231	937	976

	Note	2011/12 R'000	2010/11 R'000
Listed by programme level			
Programme 1		448	407
Programme 2		147	56
Programme 3		46	84
Programme 4		197	281
Programme 5		15	38
Programme 6		75	110
Programme 7		9	–
Total		937	976
Confirmed balances with other departments	Annex 4	191	63
Total		191	63

	2011/12 R'000	2010/11 R'000
22 EMPLOYEE BENEFITS		
Leave entitlement	2 567	1 450
Service bonus (thirteenth cheque)	1 927	1 775
Performance awards	1 173	1 145
Capped leave commitments	634	640
Total	6 301	5 010

Included in the 2011/12 disclosure for leave entitlement is a negative amount of R135 602 for leave owed to the Department for those employees who went over their leave credits.

Performance awards are calculated at 1.5% on the 2012/13 budget for Compensation of Employees for the Department.

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
23 LEASE COMMITMENTS					
23.1 Operating leases expenditure					
2011/12					
Not later than one year	–	–	–	345	345
Later than one year and not later than five years	–	–	–	398	398
Total lease commitments	–	–	–	743	743
2010/11					
Not later than one year	–	–	–	288	288
Later than one year and not later than five years	–	–	–	203	203
Later than five years	–	–	–	–	–
Total lease commitments	–	–	–	491	491
23.2 Finance leases expenditure**					
2011/12					
Not later than one year	–	–	–	133	133
Later than one year and not later than five years	–	–	–	72	72
Total lease commitments	–	–	–	205	205
Less: finance costs				11	11
Total present value of lease liabilities	–	–	–	194	194
2010/11					
Not later than one year	–	–	–	67	67
Later than one year and not later than five years	–	–	–	14	14
Total lease commitments	–	–	–	81	81
Less: finance costs	–	–	–	3	3
Total present value of lease liabilities	–	–	–	78	78

23.3 Finance Lease commitments

The arrangement between the Department of Economic Development and Tourism and GMT constitutes finance leases. The obligation in respect of the finance leases are presented below:

Lease payments	Within one year	Two to five years	More than five years
2011			
Total lease payments	840	2 721	787
2012			
Total lease payments	858	2 567	184

GG vehicle daily tariff commitments were reclassified from operating lease commitments to finance lease commitments in the 2011/12 AFS and hence restated for the 2010/11 comparatives.

The Department of Economic Development and Tourism leased 22 vehicles from GMT (2011: 23). Daily tariffs are payable on a monthly basis, covering the operational costs, capital costs of replacement of vehicles, and the implicit finance costs in this type of arrangement.

The implicit interest is based on the Provincial Treasury approved tariffs for GMT. The Department uses the vehicle for most of the useful life of the vehicle. The agreement does not provide for contingent lease payments, and at the end of the useful life as determined by the lessor, the vehicles are returned where it is sold on auction for the benefit of the lessor.

	Note	2011/12 R'000	2010/11 R'000
24 RECEIVABLES FOR DEPARTMENTAL REVENUE			
Tax revenue		138	482
Total		138	482
24.1 Analysis of receivables for departmental revenue			
Opening balance		482	
Less: amounts received		(5 809)	
Add: amounts recognised		6 340	
Less: amounts written off/reversed as irrecoverable		(875)	
Closing balance		138	

	2011/12 R'000	2010/11 R'000
25 IRREGULAR EXPENDITURE		
25.1 Reconciliation of irregular expenditure		
Opening balance	–	–
Add: irregular expenditure – relating to prior year	2 204	–
Add: irregular expenditure – relating to current year	3 287	–
Irregular expenditure awaiting condonation	5 491	–
Analysis of irregular expenditure awaiting condonation per age classification		
Current year	5 491	–
Total	5 491	–

		2011/12 R'000
25.2 Details of irregular expenditure – current year		
Incident	Disciplinary steps taken/ criminal proceedings	
Non-compliance to paragraph 3.3.3 of National Treasury Practice Note No. 8 of 2007/08, issued in terms of Treasury Regulation 16A6.1	Pending	5 491
Total		5 491

	2011/12 R'000
25.3 Details of irregular expenditures under investigation	
Incident	
An investigation into the condonation of irregular expenditure will be done during 2012	5 491
Total	5 491

	2011/12 R'000	2010/11 R'000
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26 RELATED PARTY TRANSACTIONS**Payments made**

Goods and services	65	1 189
Total	65	1 189

The Department acquired the services of the Cape Town International Convention Centre 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 free of charge:
 - 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

A related party relationship exists between the Department and Government Motor Transport (GMT) with regard to the management of government motor vehicles of the Departments. This relationship is based on an arm's length transaction in terms of tariffs approved by the Provincial Treasury.

The Department of Economic Development and Tourism received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape Province.

Mr S Fourie (Head of Department) is an ex-officio member of the Wesgro Board, was a director of the Western Cape Development Partnership for two months and is currently a director of Convenco.

	Number of individuals	2011/12 R'000	2010/11 R'000
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27 KEY MANAGEMENT PERSONNEL

Officials:

Level 15 to 16	2	2 320	2 122
Level 14	5	4 552	3 542
Total		6 872	5 664

The Chief Financial Officer and one of the chief directors are domestic partners.

2011/12
R'0002010/11
R'000**28 IMPAIRMENT AND OTHER PROVISIONS**

Impairment

Investments

116 283

116 468

Total**116 283****116 468**

The calculation of the impairment is based on the percentage shareholding in the 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 notes 12 and 27 to the Annual Financial Statements).

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

29 MOVABLE TANGIBLE CAPITAL ASSETS**Movement in movable tangible capital assets per asset register for the year ended 31 March 2012**

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
Machinery and equipment	11 103	3 039	1 917	(2 394)	13 665
GG motor vehicles	–	3 039	110	(202)	2 947
Computer equipment	5 082	–	1 472	(1 962)	4 592
Furniture and office equipment	3 852	–	310	(153)	4 009
Other machinery and equipment	2 169	–	25	(77)	2 117
Total movable tangible capital assets	11 103	3 039	1 917	(2 394)	13 665

29.1 Additions**Additions to movable tangible capital assets per asset register for the year ended 31 March 2012**

	Cash R'000	Non-cash R'000	Capital work in progress current costs and finance lease payments R'000	Received current, not paid (paid current year, received prior year) R'000	Total R'000
Machinery and equipment	2 806	110	(999)		1 917
GG motor vehicles	927	110	(927)	–	110
Computer equipment	1 472	–	–	–	1 472
Furniture and office equipment	310	–	–	–	310
Other machinery and equipment	97	–	(72)	–	25
Total additions to movable tangible capital assets	2 806	110	(999)	–	1 917

29.2 Disposals

Disposals of movable tangible capital assets per asset register for the year ended 31 March 2012

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Actual cash received R'000
Machinery and equipment	-	2 394	2 394	-
GG motor vehicles	-	202	202	-
Computer equipment	-	1 962	1 962	-
Furniture and office equipment	-	153	153	-
Other machinery and equipment	-	77	77	-
Total disposal of movable tangible capital assets	-	2 394	2 394	-

29.3 Movement for 2010/11

Movement in movable tangible capital assets per asset register for the year ended 31 March 2011

	Opening balance 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 assets	10 864	1 328	(1 089)	11 103

29.4 Minor assets

Movement in minor assets per the asset register for the year ended as at 31 March 2012

	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	–	372	–	4 327	–	4 699
Additions	–	–	–	494	–	494
Disposals	–	(366)	–	(1 413)	–	(1 779)
Total minor assets	–	6	–	3 408	–	3 414
Number of R1 minor assets	–	–	–	573	–	573
Number of minor assets at cost	–	2	–	1 908	–	1 910
Total number of minor assets	–	2	–	2 481	–	2 483

Movement in minor assets per the asset register for the year ended 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 year balances	–	–	–	(492)	–	(492)
Additions	–	5	–	256	–	261
Disposals	–	–	–	(213)	–	(213)
Total minor assets	–	372	–	4 327	–	4 699
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

30 INTANGIBLE CAPITAL ASSETS

Movement in intangible capital assets per asset register for the year ended 31 March 2012

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
Computer software	721	–	267	(32)	956
Total intangible capital assets	721	–	267	(32)	956

30.1 Additions

Additions to intangible capital assets per asset register for the year ended 31 March 2012

	Cash R'000	Non-cash R'000	(Develop- ment work in progress – current costs) R'000	Received current year, not paid (paid current year, received prior year) R'000	Total R'000
Computer software	267	–	–	–	267
Total additions to intangible capital assets	267	–	–	–	267

30.2 Disposals

Disposals of intangible capital assets per asset register for the year ended 31 March 2012

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received actual R'000
Computer software	–	32	32	–
Total disposals of intangible capital assets	–	32	32	–

30.3 Movement for 2010/11

Movement in intangible capital assets per asset register for the year ended 31 March 2011

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Computer software	101	620	–	721
Total intangible capital assets	101	620	–	721

ANNEXURE 1A

Statement of transfers to municipalities

Name of municipality	Grant allocation				Transfer		Spent			2010/11
	Amount R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total available R'000
City of Cape Town	1 000	–	–	1 000	1 000	100	1 000	–	–	–
	1 000	–	–	1 000	1 000		1 000			

ANNEXURE 1B

Statement of transfers to departmental agencies and accounts

Department/agency/account	Transfer allocation				Transfer		2010/11
	Adjusted Appropriation R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Appropriation Act R'000
Destination Marketing Organisation	35 439	–	–	35 439	35 439	100	38 205
Wesgro	14 956	–	–	14 596	14 956	100	15 000
Cape Nature – SA National Parks	1 000	–	–	1 000	1 000	100	1 400
Small Enterprise Development Agency	1 000	–	–	1 000	1 000	100	–
	52 395	–	–	52 395	52 395		54 605

ANNEXURE 1C

Statement of transfers to universities and technikons

University/technikon	Transfer allocation				Transfer			2010/11
	Adjusted Appropriation R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Amount not transferred R'000	% of available funds transferred %	Appropriation Act R'000
Cape Peninsula University of Technology	900	–	500	1 400	1 400	–	100	144
	900	–	500	1 400	1 400	–		144

ANNEXURE 1D

Statement of transfers to public corporations and private enterprises

Name of public corporation/private enterprise	Transfer allocation				Expenditure				2010/11
	Adjusted Appropriation 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	Appropriation Act R'000
Public corporations									
Casidra (Pty) Limited	27 300	–	–	27 300	27 300	100	–	–	45 750
Total	27 300	–	–	27 300	27 300		–	–	45 750

ANNEXURE 1E

Statement of transfers to non-profit institutions

Non-profit institutions	Transfer allocation				Expenditure		2010/11
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Appropriation Act R'000
Transfers							
Calling the Cape/BPSA	6 800	–	–	6 800	6 800	100	4 700
Cape Chamber of Commerce	350	–	–	350	350	100	550
Cape Clothing and Textile	1 250	–	–	1 250	1 250	100	950
Cape Craft and Design Institute	4 500	–	1 010	5 510	5 510	100	3 400
Cape Film Commission	4 200	–	–	4 200	4 200	100	3 100
Cape Information and Technology Initiative (CITI)	4 800	–	291	5 091	5 091	100	4 300
Cape Music Industry Commission	555	–	–	555	555	100	555
Cape Town Boatbuilding and Technology Initiative	950	–	–	950	950	100	950
Cape Town Fashion Council	1 600	–	–	1 600	1 600	100	1 250
Cape Town Partnership	2 100	–	–	2 100	2 100	100	1 500
Clotex	2 100	–	–	2 100	2 100	100	950
FASfacts	–	–	–	–	–	–	750
!Khwa ttu San Culture and Education Centre	500	–	–	500	500	100	–
Learning Cape Initiative	5 500	–	–	5 500	5 500	100	1 200
NADCAO	–	–	–	–	–	–	200
Performing Arts Network of SA (PANSA)	220	–	–	220	220	100	220
Shanduka Black Umbrellas	–	–	–	–	–	–	500
South African Oil and Gas Alliance	4 950	–	–	4 950	4 950	100	7 500
South African Honeybush Tea Association	400	–	–	400	400	100	260
The Business Place	500	–	–	500	500	100	–
Visual Arts Network of SA (VANSA)	220	–	–	220	220	100	220
West Coast Business Development Centre	500	–	–	500	500	100	–
Western Cape Aquaculture Development Initiative	800	–	–	800	800	100	800
Western Cape Economic Development Partnership	–	–	1 600	1 600	1 600	100	–
Western Cape Fine Food Initiative	700	–	–	700	700	100	500
Western Cape Furniture Initiative	950	–	–	950	950	100	1 250
Western Cape Tooling Initiative	3 850	–	–	3 850	3 850	100	1 450
Total	48 295	–	2 901	51 196	51 196		37 055

ANNEXURE 1F

Statement of transfers to households

Households	Transfer allocation				Expenditure		2010/11
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Appropriation Act R'000
Transfers							
Abrahams	-	-	-	-	-	-	2
Abrahams R	-	-	-	-	-	-	1
Adams C	-	-	-	-	-	-	1
Adams F	-	-	-	-	-	-	15
Adams SM	-	-	-	-	-	-	16
Adonis N	-	-	-	-	-	-	1
Alexander DF	-	-	-	-	-	-	1
Allies T	-	-	-	-	-	-	1
Andreas L	-	-	-	-	-	-	1
Andries J	-	-	-	-	-	-	1
Anelisi Y	-	-	-	-	-	-	1
Anthony L	-	-	-	-	-	-	16
Anthony S	-	-	-	-	-	-	1
Appel B	-	-	-	-	-	-	1
Baxen K	-	-	-	-	-	-	1
Beech L	-	-	-	-	-	-	1
Beqezi	-	-	-	-	-	-	1
Bester HM	-	-	-	-	-	-	1
Beukes E	-	-	-	-	-	-	16
Bilala IM	-	-	-	-	-	-	1
Borcherds M			-				1
Bordcherds	-	-	-	-	-	-	16
Britta Basonco Wa Sonco	-	-	-	-	-	-	1
Brown JP	-	-	-	-	-	-	1
Bulelwa M	-	-	-	-	-	-	1
Burger J	-	-	-	-	-	-	1
Burger RF	-	-	-	-	-	-	1
Busisiwe M	-	-	-	-	-	-	1
Carelse DT	-	-	-	-	-	-	1
Cekiso T	-	-	-	-	-	-	1
Charles JG	-	-	-	-	-	-	1
Chetty C	-	-	-	-	-	-	16
Chiripanyanga C	-	-	-	-	-	-	2
Cicobisa M	-	-	-	-	-	-	1
Cloete M	-	-	-	-	-	-	1
Consul E	-	-	-	-	-	-	1

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Households	Transfer allocation				Expenditure		2010/11
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Appropriation Act R'000
Costaz N	-	-	-	-	-	-	1
Cummings Z	-	-	-	-	-	-	1
Cupido	-	-	-	-	-	-	1
Cupido M	-	-	-	-	-	-	1
Damonse R	-	-	-	-	-	-	1
Daniels K	-	-	-	-	-	-	1
Davey C	-	-	-	-	-	-	16
Davids M	-	-	-	-	-	-	1
De Wet K	-	-	-	-	-	-	1
Delcarme MC	-	-	-	-	-	-	16
Dick C	-	-	-	-	-	-	1
Diedericks C	-	-	-	-	-	-	1
Dlodlo DS	-	-	-	-	-	-	1
Domingo A	-	-	-	-	-	-	1
Dyantyi	-	-	-	-	-	-	1
Europa HDE	-	-	-	-	-	-	16
Evertson	-	-	-	-	-	-	1
Faulman PC	-	-	-	-	-	-	1
Felix G	-	-	-	-	-	-	1
Fell MG	-	-	-	-	-	-	1
Ferndale M	-	-	-	-	-	-	1
Filton E	-	-	-	-	-	-	1
Fisher E	-	-	-	-	-	-	1
Fisher LL	-	-	-	-	-	-	11
Fredericks	-	-	-	-	-	-	1
Galant MR	-	-	-	-	-	-	1
Geldenhys M	-	-	-	-	-	-	1
Gqobose Y	-	-	-	-	-	-	1
Gqwabe	-	-	-	-	-	-	1
Gqwashula	-	-	-	-	-	-	1
Greeff T	-	-	-	-	-	-	1
Grobler	-	-	-	-	-	-	1
Gusana SO	-	-	-	-	-	-	1
Gzalada B	-	-	-	-	-	-	1
Halim S	-	-	-	-	-	-	1
Harris R	-	-	-	-	-	-	1
Harris R	-	-	-	-	-	-	1
Harrison K	-	-	-	-	-	-	16
Hart A	-	-	-	-	-	-	1

Households	Transfer allocation				Expenditure		2010/11
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Appropriation Act R'000
Henkerman A	-	-	-	-	-	-	1
Hlohla N	-	-	-	-	-	-	1
Hopley	-	-	-	-	-	-	1
Immelman	-	-	-	-	-	-	1
Isaacs R	-	-	-	-	-	-	1
Isaacs R	-	-	-	-	-	-	1
Ismail S	-	-	-	-	-	-	16
Jacobs C	-	-	-	-	-	-	1
Jacobs C	-	-	-	-	-	-	1
Jacobs C	-	-	-	-	-	-	1
Jaga B	-	-	-	-	-	-	5
Jansen J	-	-	-	-	-	-	1
Jansen SO	-	-	-	-	-	-	16
Jantjes LC	-	-	-	-	-	-	16
Julius J	-	-	-	-	-	-	15
Kabongo	-	-	-	-	-	-	1
Karelse M	-	-	-	-	-	-	1
Kearns W	-	-	-	-	-	-	1
Kearns W	-	-	-	-	-	-	1
Kloppers M	-	-	-	-	-	-	1
Kok JJ	-	-	-	-	-	-	16
Krikke T	-	-	-	-	-	-	1
Lang L	-	-	-	-	-	-	1
Langdown S	-	-	-	-	-	-	1
Langemi Q	-	-	-	-	-	-	1
Lara Z	-	-	-	-	-	-	1
Lategan E	-	-	-	-	-	-	16
Lebakeng L	-	-	-	-	-	-	16
Lewis CL	-	-	-	-	-	-	16
Lucas MR	-	-	-	-	-	-	1
Lucas MR	-	-	-	-	-	-	2
Lukwesa K	-	-	-	-	-	-	1
Mabhani N	-	-	-	-	-	-	15
Magwebu S	-	-	-	-	-	-	16
Main A	-	-	-	-	-	-	16
Malander B	-	-	-	-	-	-	1
Manyatsi SZ	-	-	-	-	-	-	1
Marais K	-	-	-	-	-	-	1
Marthenuissen S	-	-	-	-	-	-	1

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Households	Transfer allocation				Expenditure		2010/11
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Appropriation Act R'000
Mbatha MV	-	-	-	-	-	-	16
Mbomboyi SM	-	-	-	-	-	-	16
McKinna M	-	-	-	-	-	-	1
Meyer SJ	-	-	-	-	-	-	16
Meyer T	-	-	-	-	-	-	1
Mhlanga N	-	-	-	-	-	-	1
Mkungela AP	-	-	-	-	-	-	1
Motsieloa N	-	-	-	-	-	-	16
Naicker MP	-	-	-	-	-	-	16
Namanyane G	-	-	-	-	-	-	1
Nambala EL	-	-	-	-	-	-	1
Neathling F	-	-	-	-	-	-	1
Neels W	-	-	-	-	-	-	1
Ngalamulume A	-	-	-	-	-	-	1
Nobanda PG	-	-	-	-	-	-	16
Nokhonya NY	-	-	-	-	-	-	16
Ntlabati VV	-	-	-	-	-	-	16
Ntozini A	-	-	-	-	-	-	1
Oosthuizen E	-	-	-	-	-	-	1
Oosthuizen EF	-	-	-	-	-	-	16
Panawoolla A	-	-	-	-	-	-	1
Philander D	-	-	-	-	-	-	1
Philander D	-	-	-	-	-	-	1
Philander D	-	-	-	-	-	-	1
Plaatjies MH	-	-	-	-	-	-	16
Ponto Z	-	-	-	-	-	-	7
Poole D	-	-	-	-	-	-	1
Pretorius	-	-	-	-	-	-	1
Qolo N	-	-	-	-	-	-	16
Rhode AJ	-	-	-	-	-	-	15
Riley Z	-	-	-	-	-	-	1
Rorwana S	-	-	-	-	-	-	16
Rossouw S	-	-	-	-	-	-	1
Saal L	-	-	-	-	-	-	1
Shellar A	-	-	-	-	-	-	1
Sibango NC	-	-	-	-	-	-	16
Skosana ZR	-	-	-	-	-	-	16
Slarmie M	-	-	-	-	-	-	1
Spocter Q	-	-	-	-	-	-	1

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Households	Transfer allocation				Expenditure		2010/11
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Appropriation Act R'000
Swanepoel JJJ	-	-	-	-	-	-	16
Swarts W	-	-	-	-	-	-	1
Swarts W	-	-	-	-	-	-	1
Thethiwe U	-	-	-	-	-	-	14
Thomson	-	-	-	-	-	-	1
Tshalisi T	-	-	-	-	-	-	1
Tyesi S	-	-	-	-	-	-	1
Van Buisbergen S	-	-	-	-	-	-	1
Van Der Westhuizen J	-	-	-	-	-	-	16
Van Wyk A	-	-	-	-	-	-	1
Van Wyk CJ	-	-	-	-	-	-	1
Vlok JR	-	-	-	-	-	-	1
Vokozela NS	-	-	-	-	-	-	1
Waldeck R	-	-	-	-	-	-	1
Wandile T	-	-	-	-	-	-	1
Williams F	-	-	-	-	-	-	16
Williams R	-	-	-	-	-	-	1
Wilson DJ	-	-	-	-	-	-	1
Wilton M	-	-	-	-	-	-	10
Wright K	-	-	-	-	-	-	1
Yon SN	-	-	-	-	-	-	1
Zandile M	-	-	-	-	-	-	1
Zuba B	-	-	-	-	-	-	1
Carelse DT	-	-	-	-	-	-	9
Matafin SS	-	-	-	-	-	-	216
Madikane Z	-	-	-	-	-	-	22
Cape Catalyst Programme	-	-	-	-	-	-	2
Bursaries for academic studies in Tourism Industry	650	-	-	650	650	100	-
Bursaries for Tourism FET Skills	187	-	-	187	187	100	-
Stipends for job shadow placement in Tourism Industry	26	-	3	29	29	100	-
Labuschagne	-	-	44	44	44	100	-
Total	863	-	47	910	910		1 051

ANNEXURE 2

Statement of contingent liabilities as at 31 March 2012

Nature of liability	Opening balance 1 April 2011 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (provide details hereunder) R'000	Closing balance 31 March 2012 R'000
Claims against the Department					
Frederick Johannes Bezuidenhout and Hartenbos Vakansievereniging	50	-	(50)	-	-
Manual Da Costa De Atougia	75	-	(75)	-	-
FM van Zyl	-	23	-	-	23
Total	125	23	(125)	-	23

ANNEXURE 3

Claims recoverable

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012 R'000	31/03/2011 R'000	31/03/2012 R'000	31/03/2011 R'000	31/03/2012 R'000	31/03/2011 R'000
Department						
Department of Labour	-	-	-	20	-	20
Department of the Premier	499	-	-	-	499	-
Total	499	-	-	20	499	20

ANNEXURE 4

Inter-government payables

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012 R'000	31/03/2011 R'000	31/03/2012 R'000	31/03/2011 R'000	31/03/2012 R'000	31/03/2011 R'000
Departments						
Current						
Department of the Premier	1	63	6	-	7	63
Provincial Treasury	56	-	-	-	56	-
Department of Transport and Public Works	134	-	15	-	149	-
Total	191	63	21	-	212	63

ANNEXURE 5

Inventory

Inventory	2011/12		2010/11	
	Quantity	R'000	Quantity	R'000
Opening balance				
Add: additions/purchases – cash	-	1 750	-	1 517
Add/(Less): adjustments	-	(1 750)	-	(1 517)
Closing balance	-	-	-	-

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 2011 to 31 March 2012

Main services	Actual service beneficiaries	Additional beneficiaries	Standard of service	Actual achievement against standards
Tourism Human Resource Development	<i>Direct beneficiaries:</i> Citizens (students – scholars and current students in the tourism industry and current workforce) <i>Indirect beneficiaries:</i> Business in the tourism industry, HEI's, FET's and schools	Citizens (unemployed tourism graduates, unemployed matriculants and learners that exited at secondary school level before completing matric	a) 100 beneficiaries of Tourism Skills programmes b) 250 beneficiaries of Internship Placement programme c) 45 beneficiaries of Collective Bursary programmes d) 50 beneficiaries of Job Shadowing programme e) Beneficiaries of Career Awareness Roadshows f) 250 Beneficiaries of Service Excellence programme	a) 108 beneficiaries of Tourism Skills programmes b) 234 beneficiaries of Internship Placement programme: 208 FET learners and graduates 26 HEI students and graduates c) 44 beneficiaries of Collective Bursary programmes d) 98 beneficiaries of Job Shadowing programme e) 750 beneficiaries of Career Awareness Roadshows f) 519 Beneficiaries of Service Excellence programme
Quality assurance of tourism products and iconic attraction	<i>Direct beneficiaries:</i> Tourists <i>Indirect beneficiaries:</i> 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) 6 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) f) 2 road signage of tourism gateways/routes/major icons/attractions	a) Safety proactive: 116 establishments were supplied with information b) Safety reactive: 21 incidents were reported to the programme c) 600 inspections were completed d) 2 major icons assessments conducted e) 91 road signage applications were processed f) 2 tourism route assessments completed <i>Additional achievement:</i> g) 544 beneficiaries were exposed to tourism through the Access the Cape programme

Table 4.1.2: Consultation arrangements with service beneficiaries, 1 April 2011 to 31 March 2012

Type of arrangement	Actual achievements	Comments (possible deviation)
<p>Tourism Human Resource Development</p> <p>a) Tourism newsletter</p> <p>b) Bulk SMS</p> <p>c) Bulk e-mails</p> <p>d) One-on-ones</p> <p>e) Roadshows</p> <p>f) Jamborees</p> <p>g) Imbizos</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>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) Bulk SMS was not utilised</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/career awareness workshops) and imbizos</p> <p>h) Tourism events, e.g. career awareness on tourism skills development programmes</p> <p>i) Brochures and pamphlets</p> <p>j) Local newspapers were not utilised and cost effective Government website in terms of projects</p> <p>k) The customer satisfaction survey was utilised as a consultation arrangement for the various Tourism Human Resource Development projects. This included the HEI and FET Internship Placement Programme whereby learners and host employers were provided opportunities to provide feedback on the placement programme before exiting the programme</p> <p><i>Additional consultation arrangement:</i></p> <p>l) SA host training rollout included prescribed SA host evaluation forms (completed by the delegates)</p> <p>m) Internal monitoring process was rolled out with a sample of the beneficiaries to gain feedback on the benefits and also identification of areas of improvements</p>	<p>b) Bulk SMS process was not implemented directly by the sub-directorate, however, by stakeholders involved in the project implementation. The rollout of the Tourism Human Resource Development interventions included stakeholder partnerships and involvement in the project implementation. The stakeholders and suppliers made use of this process during the project implementation when required to liaise with the beneficiaries.</p> <p>j) Local newspapers not utilised as consultation arrangement as it was not required for the project rollout. Government website utilised in terms of cost effective information sharing for relevant projects, i.e. Tourism Collective Bursary Programme.</p>

Table 4.1.2: Consultation arrangements with service beneficiaries, 1 April 2011 to 31 March 2012 continued

Type of arrangement	Actual achievements	Comments (possible deviation)
Quality assurance of tourism products and iconic attractions		
a) Tourism newsletter	a) Provides input to Departmental newsletter (as required)	
b) Bulk SMS	b) E-mails and telephonic contact to 45 tourism bureaus regarding policy, procedures and criteria (represents 445 tourism facilities)	
c) Bulk e-mails	c) Bulk e-mails	
d) One-on-ones	d) One-on-one communications with tourism bureaus	
e) Roadshows	e) Roadshows through the RTLC meetings held in each region	
f) Jamborees	f-g) Department participates in Integrated Community Outreach Programmes (jamborees) and imbizos	
g) Imbizos		
h) Tourism events	h-i) Not a consultation arrangement required for this service although tourism events and tourism tiered support is conducted by Department	
i) Tourism tiered support		
j) Brochures and pamphlets	j) Brochures and pamphlets distributed throughout the Western Cape: Tourism safety tips published in six languages. Guides to tourism road signage with contact details and procedures distributed	
k) Local newspapers	k) Local newspaper was not utilised	
l) Customer satisfaction survey	l) Departmental Monitoring and Evaluation unit conducted monitoring and evaluation of safety and support programme	l) Local newspaper not utilised due to change in provincial branding

Table 4.1.3: Service delivery access strategy, 1 April 2011 to 31 March 2012

Access strategy	Actual achievements
Tourism Human Resource Development	
a) 10th Floor, Waldorf Building	a) 10th Floor, Waldorf Building
b) Employer Associations, i.e. FEDHASA etc.	b) Employer Associations, i.e. FEDHASA, Western Cape HR Hospitality Forum, etc.
c) Academic Institutions	c) Academic Institutions (HEI and FET institutions)
d) Cape Gateway	d) Cape Gateway
e) SETAs (CATHSSETA)	e) SETAs (CATHSSETA)
	<i>Additional service delivery access strategy:</i> 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.
Quality assurance of tourism products and iconic attractions	Quality assurance of tourism products and iconic attraction
a) 10th Floor, Waldorf Building	a) 10th Floor, Waldorf Building
b) Local tourism bureaus	b) Local tourism bureaus
c) Cape Gateway	c) Cape Gateway

Table 4.1.4: Service information tool, 1 April 2011 to 31 March 2012

Types of information tool	Actual achievements
<p>Tourism Human Resource Development</p> <p>a) Newsletter</p> <p>b) Bulk SMS</p> <p>c) Bulk e-mails</p> <p>d) Publications (brochures, pamphlets)</p> <p>e) Exhibitions</p> <p>f) Career roadshows</p> <p>g) Media</p> <p>h) Annual Report</p> <p>i) Website</p>	<p>Service information tools were utilised during stakeholder engagements between tourism stakeholders and rollout of Tourism Human Resource interventions.</p> <p>The following actual service information tools were utilised:</p> <p>a) Tourism Human Resource Development provides input to Departmental newsletter (as required)</p> <p>b) Bulk SMS process was not implemented directly by the sub-directorate, however, by stakeholders involved in the project implementation. The rollout of the Tourism Human Resource Development interventions included stakeholder partnerships and involvement in the project implementation. The stakeholders and suppliers made use of this process during the project implementation when required to liaise with the beneficiaries</p> <p>c) Bulk e-mails</p> <p>d) Brochures and pamphlets</p> <p>e-f) Exhibitions, roadshows and events conducted on e.g. career awareness and bursary application</p> <p>g) Local newspapers e.g. SA host customer service training i.e. Hangklip Tourism published article on the training rollout funded by the Department and co-ordinated by the Human Resource Development sub-directorate</p> <p>h) Annual Report</p> <p>i) Cape Gateway</p>
<p>Quality assurance of tourism products and iconic attraction</p> <p>a) Newsletter</p> <p>b) Bulk SMS</p> <p>c) Bulk e-mails</p> <p>d) Publications (brochures, pamphlets)</p> <p>e) Exhibitions</p> <p>f) Media</p> <p>g) Annual Report</p> <p>h) Website</p>	<p>a) Information provided to Departmental newsletter</p> <p>b) E-mails and telephonic contact to 45 tourism bureaus regarding policy, procedures and criteria, etc. (represents 445 tourism facilities)</p> <p>c) Emails with LTO's and stakeholders</p> <p>d) Brochures and pamphlets distributed throughout the Western Cape: Tourism safety tips published in six languages. Guides to tourism road signage with contact details and procedures distributed</p> <p>e) Road shows and Regional Tourism Liaison Committee (RTLCL) meetings</p> <p>f) Local newspaper not utilised due to change in provincial branding</p> <p>g) Annual Report</p> <p>h) Provincial website</p> <p><i>Additional service information tool:</i></p> <p>i) One-on-one communications with tourism bureaus as required</p>

Table 4.1.5: Redress mechanism, 1 April 2011 to 31 March 2012

Redress mechanism	Actual achievements
<p>Tourism Human Resource Development</p> <p>a) Waldorf Building – Disability-friendly</p> <p>b) Contact with management</p> <p>c) Correspondence</p> <p>d) Client satisfaction survey</p> <p>e) Suggestion box</p>	<p>Complaints mechanisms were put in place for direct and indirect beneficiaries, through:</p> <p>a) Waldorf Building – Disability-friendly</p> <p>b) Contact with management</p> <p>c) Correspondence</p> <p>d) Client satisfaction survey in place for some of the Tourism HRD interventions. Further tools to be investigated for implementation in the financial year 2012/13</p> <p>e) Suggestion box not in place as the projects rolled out were implemented in partnership with various stakeholders that assisted in the implementation in the different regions which did not allow one central suggestion box to reach all stakeholders. Feasibility on the rollout of a suggestion box within the office will be reviewed for the financial year 2012/13</p>
<p>Quality assurance of tourism products and iconic attractions</p> <p>a) Waldorf Building – Disability-friendly</p> <p>b) Contact with management</p> <p>c) Correspondence</p> <p>d) Client satisfaction survey</p> <p>e) Suggestion box</p>	<p>a) Waldorf Building – Disability-friendly</p> <p>b) Contact with management</p> <p>c) Correspondence</p> <p>d) Consumer feedback to Tourism Bureau and media reports</p> <p>e) Suggestion box not in place</p>

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 expenditure in terms of each of the programmes or salary bands within the Department.

Table 4.2.1: Personnel expenditure by programme, 2011/12

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Goods and services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of employees
Administration	20 765	14 209	182	5 743	68.4	195	73
Integrated Economic Development Services	51 782	12 397	251	11 105	23.9	302	41
Trade and Sector Development	68 537	12 466	78	11 310	18.2	337	37
Business Regulation and Governance	19 021	12 675	70	6 166	66.6	226	56
Economic Planning	14 794	9 023	139	5 172	61.0	258	35
Tourism, Art and Entertainment	62 823	11 178	50	4 487	17.8	260	43
Skills Development and Innovation	18 367	3 022	310	747	16.5	233	13
Total	256 089	74 970*	1 080	44 730	29.3	252	298

Note: The figures include COE costs of the Minister.

Table 4.2.2: Personnel expenditure by salary bands, 2011/12

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Lower skilled (levels 1 – 2)	836	1.1	18	46
Skilled (levels 3 – 5)	6 724	9.0	122	55
Highly skilled production (levels 6 – 8)	14 481	19.3	198	73
Highly skilled supervision (levels 9 – 12)	38 878	51.8	370	105
Senior management (levels 13 – 15)	14 130	18.8	785	18
Total	75 049*	100	253	297**

Note: * The figures in Table 4.2.1 are as per the Basic Accounting System and Table 4.2.2 are as per the PERSAL system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other Departments. Accordingly there may be a difference in total expenditure reflected on these systems.

** This figure refers to all individuals remunerated during the reporting period, excluding the Minister.

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, 2011/12

Salary bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Administration	9 775	13.0	57	0.1	317	0.4	652	0.9
Integrated Economic Development Services	8 518	11.3	16	0.02	173	0.2	372	0.5
Trade and Sector Development	8 201	10.9	–	–	211	0.3	204	0.3
Business Regulation and Governance	8 602	11.5	–	–	185	0.2	360	0.5
Economic Planning	5 941	7.9	–	–	121	0.2	205	0.3
Tourism, Art and Entertainment	7 517	10.0	–	–	269	0.4	260	0.3
Skills Development and Innovation	2 243	3.0	–	–	16	0.02	65	0.1
Total	50 797	67.7	73	0.1	1 292	1.7	2 118	2.8

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a percentage of the total personnel expenditure mentioned in Table 4.2.2.

Table 4.2.4: Salaries, overtime, housing allowance and medical assistance by salary bands, 2011/12

Salary bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Lower skilled (levels 1 – 2)	130	0.2	–	–	9	0.01	–	–
Skilled (levels 3 – 5)	4 164	5.5	5	0.01	270	0.4	456	0.6
Highly skilled production (levels 6 – 8)	10 546	14.1	46	0.1	384	0.5	793	1.1
Highly skilled supervision (levels 9 – 12)	27 783	37.0	22	0.03	389	0.5	785	1.0
Senior management (levels 13 – 15)	8 174	10.9	–	–	240	0.3	84	0.1
Total	50 797	67.7	73	0.1	1 292	1.7	2 118	2.8

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a percentage of the total personnel expenditure mentioned in Table 4.2.2.

4.3 EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, the percentage posts vacant, 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.

Table 4.3.1: Employment and vacancies by programme, as at 31 March 2012

Programme	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Administration	60	48	20.0	9	15.0
Integrated Economic Development Services	43	27	37.2	5	11.6
Trade and Sector Development	31	24	22.6	7	22.6
Business Regulation and Governance	42	35	16.7	6	14.3
Economic Planning	25	21	16.0	3	12.0
Tourism, Art and Entertainment	40	27	32.5	6	15.0
Skills Development and Innovation	15	6	60.0	3	20.0
Total	256	188	26.6	39	15.2

Note: Although the Department has a vacancy rate of 26.6%, it should be noted that 15.2% of these posts are being used for staff appointed on short and medium-term contracts, and special projects, additional to the approved establishment. This results into 11.4% of the posts being vacant.

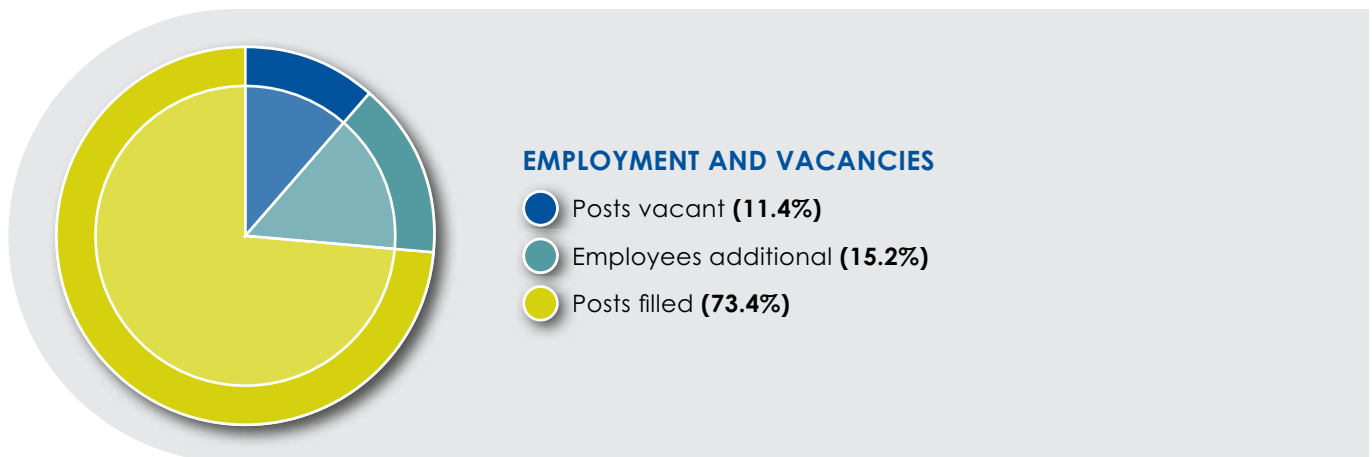


Table 4.3.2: Employment and vacancies by salary bands, as at 31 March 2012

Salary band	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Lower skilled (levels 1 – 2)	2	2	–	2	100.0
Skilled (levels 3 – 5)	48	32	33.3	9	18.8
Highly skilled production (levels 6 – 8)	70	58	17.1	10	14.3
Highly skilled supervision (levels 9 – 12)	117	80	31.6	17	14.5
Senior management (levels 13 – 15)	19	16	15.8	1	5.3
Total	256	188	26.6	39	15.2

Note: The information in each case reflects the situation as at 31 March 2012. For an indication of changes in staffing patterns over the year under review, please refer to section 4.5 of this report.

Table 4.3.3: Employment and vacancies by critical occupation, as at 31 March 2012

Critical occupations	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
The Department did not register any particular occupations as more critical than others.					

4.4 JOB EVALUATION

The Public Service Regulations, as amended in 2001, 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 summarises the number of posts 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 2011 to 31 March 2012

Salary band	Total number of posts	Number of posts evaluated	% of posts evaluated	Posts upgraded		Posts downgraded	
				Number	% of number of posts	Number	% of number of posts
Lower skilled (levels 1 – 2)	2	–	–	–	–	–	–
Skilled (levels 3 – 5)	48	–	–	–	–	–	–
Highly skilled production (levels 6 – 8)	70	–	–	–	–	–	–
Highly skilled supervision (levels 9 – 12)	117	–	–	–	–	–	–
Senior Management Service Band A (level 13)	14	–	–	–	–	–	–
Senior Management Service Band B (level 14)	4	–	–	–	–	–	–
Senior Management Service Band C (level 15)	1	–	–	–	–	–	–
Total	256			None			

Note: Existing Public Service policy requires of departments to subject specifically identified posts (excluding Educator and OSD posts) to a formal job evaluation process. These include newly created posts, as well as posts where the job content has changed significantly (i.e. affected posts). This job evaluation process determines the grading and salary level of a post.

All the posts on the approved establishment were evaluated during previous reporting years, and the job evaluation results are thus still applicable.

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded.

Table 4.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2011 to 31 March 2012

Employees whose salary positions were upgraded during 2011/12	None
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The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation (including higher notches awarded). Reasons for the deviation are provided in each case.

Table 4.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Total number of employees whose salaries exceeded the level determined by job evaluation (including awarding of higher notches) in 2011/12	None
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Table 4.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Profile of Employees whose salaries exceeded the level determined by job evaluation (including awarding of higher notches) in 2011/12	None
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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). (These "critical occupations" should be the same as those listed in Table 4.3.3).

Table 4.5.1: Annual turnover rates by salary band, 1 April 2011 to 31 March 2012

Salary band	Number of employees per band as at 31 March 2011	Turnover rate 2010/11	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2011/12
Lower skilled (levels 1 – 2)	1	–	3	–	–	–	–
Skilled (levels 3 – 5)	41	27.5	15	1	5	3	19.5
Highly skilled production (levels 6 – 8)	52	15.3	17	1	3	1	7.7
Highly skilled supervision (levels 9 – 12)	86	19.2	16	1	4	2	7.0
Senior Management Service Band A (level 13)	11	11.1	–	–	1	–	9.1
Senior Management Service Band B (level 14)	4	–	–	–	–	–	–
Senior Management Service Band C (level 15)	2	–	–	–	–	–	–
Total	197	19.8	51	3	13	6	9.6
			54		19		

Note: A transfer is when a public service official moves from one department to another, on the same salary level.

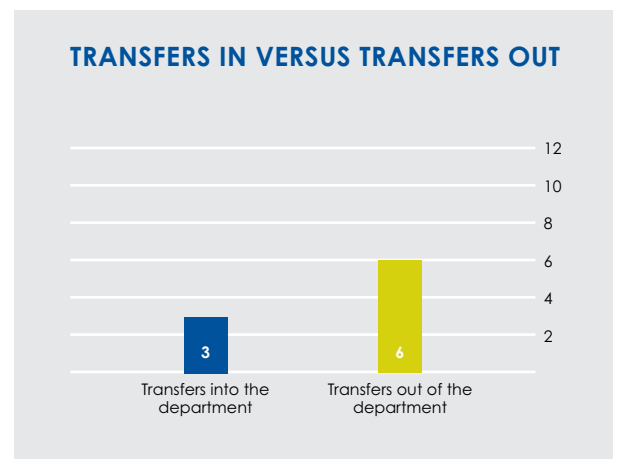
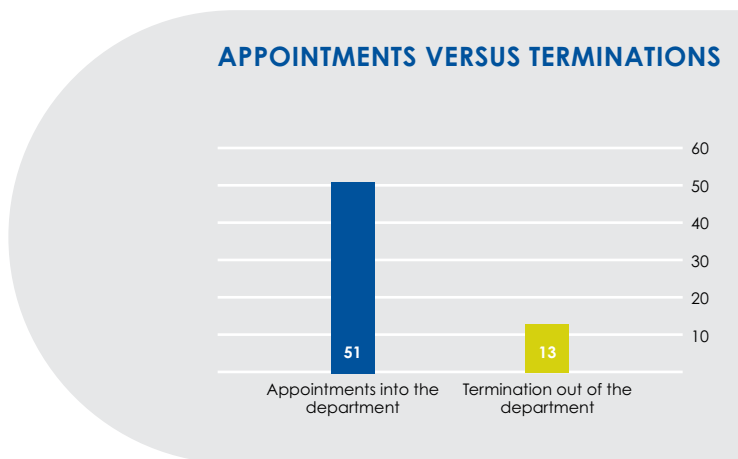


Table 4.5.2: Annual turnover rates by critical occupation, 1 April 2011 to 31 March 2012

Salary band	Number of employees per band as at 31 March 2011	Turnover rate 2010/11	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2011/12
The Department did not register any particular occupations as more critical than others.							

Table 4.5.3: Staff exiting the employ of the Department, 1 April 2011 to 31 March 2012

Exit category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2011
Death	1	5.3	0.5
Resignation*	4	21.1	2.0
Expiry of contract	6	31.6	3.0
Dismissal – operational changes	–	–	–
Dismissal – misconduct	1	5.3	0.5
Dismissal – inefficiency	–	–	–
Discharged due to ill-health	–	–	–
Retirement	1	5.3	0.5
Employee initiated severance package	–	–	–
Transfers to other public service departments	6	31.6	3.0
Total	19	100	9.6

* Resignations are further discussed in Tables 4.5.4 and 4.5.5.

Note: Table 4.5.3 identifies the various termination categories for those staff members who have left the employ of the department.

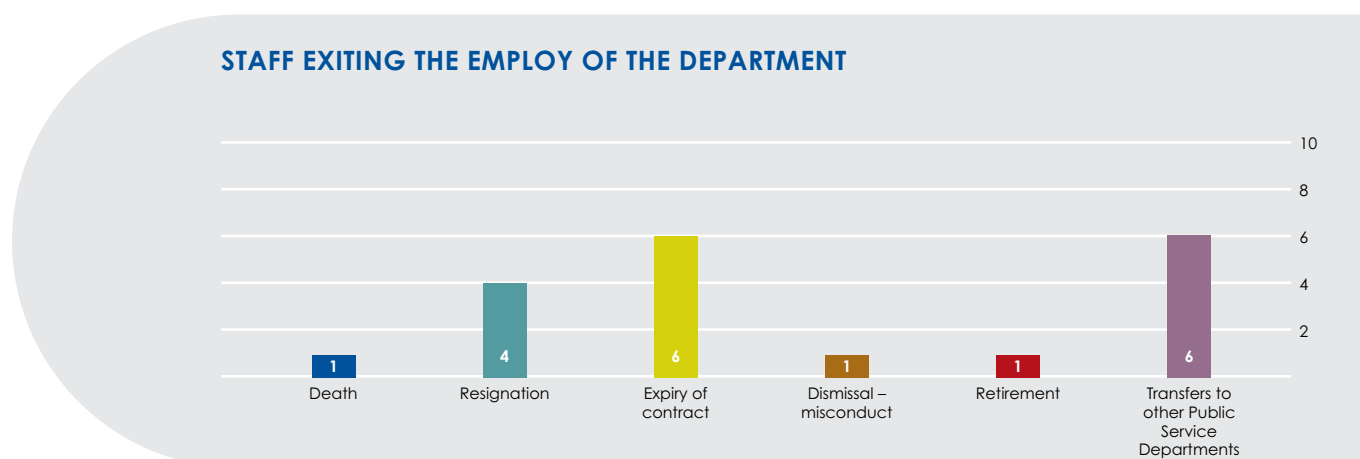


Table 4.5.4: Reasons why staff resigned, 1 April 2011 to 31 March 2012

Resignation reasons	Number	% of total resignations
Other occupation	2	50
Undisclosed	2	50
Total	4	100

Table 4.5.5: Different age groups of staff who resigned, 1 April 2011 to 31 March 2012

Age group	Number	% of total resignations
Ages <19	–	–
Ages 20 to 24	1	25.0
Ages 25 to 29	–	–
Ages 30 to 34	–	–
Ages 35 to 39	3	75.0
Ages 40 to 44	–	–
Ages 45 to 49	–	–
Ages 50 to 54	–	–
Ages 55 to 59	–	–
Ages 60 to 64	–	–
Ages 65 >	–	–
Total	4	100

Table 4.5.6: Granting of employee initiated severance packages by salary band, 1 April 2011 to 31 March 2012

Total number of employee initiated severance packages in 2011/12	None
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Table 4.5.7: Promotions by salary band, 1 April 2011 to 31 March 2012

Salary band	Employees as at 31 March 2011	Promotions to another salary level	Promotions as a % of employees by salary band	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (levels 1 – 2)	1	–	–	1	100.0
Skilled (levels 3 – 5)	41	–	–	33	80.5
Highly skilled production (levels 6 – 8)	52	5	9.6	42	80.8
Highly skilled supervision (levels 9 – 12)	86	3	3.5	58	67.4
Senior management (levels 13 – 15)	17	1	5.9	10	58.8
Total	197	9	4.6	144	73.1

Table 4.5.8 Promotions by critical occupation, 1 April 2011 to 31 March 2012

Critical occupation	Employees as at 31 March 2011	Promotions to another 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 levels, as at 31 March 2012

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (levels 14 – 15)	–	3	–	–	–	3	–	–	–	–	6
Senior management (level 13)	3	3	–	1	2	1	1	–	–	–	11
Professionally qualified and experienced specialists and mid-management (levels 11 – 12)	4	12	1	4	1	14	1	5	–	–	42
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10)	12	26	–	2	16	39	3	10	–	–	108
Semi-skilled and discretionary decision making (levels 4 – 7)	4	5	1	1	13	26	–	4	–	–	54
Unskilled and defined decision making (levels 1 – 3)	–	2	–	–	1	3	–	–	–	–	6
Total	23	51	2	8	33	86	5	19	–	–	227
Temporary employees	–	–	–	–	–	–	–	–	–	–	–
Grand total	23	51	2	8	33	86	5	19	–	–	227

Note: Occupational levels are prescribed by the Department of Labour. Temporary employees refer to persons employed on contract for a period of three months or less.

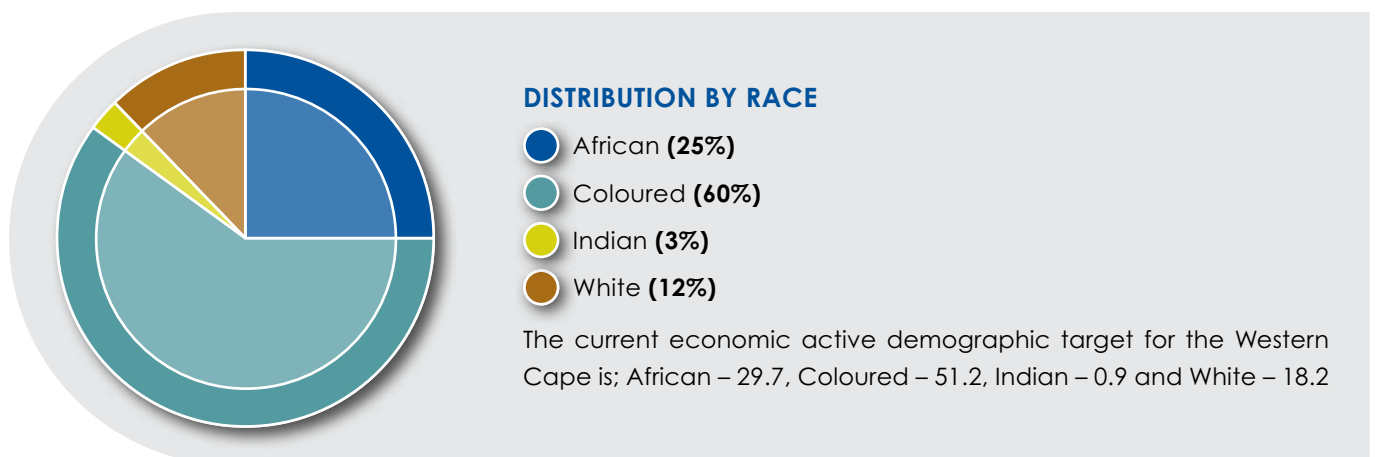


Table 4.6.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2012

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (levels 14 – 15)	–	–	–	–	–	–	–	–	–	–	–
Senior management (level 13)	–	–	–	–	–	–	–	–	–	–	–
Professionally qualified and experienced specialists and mid-management (levels 11 – 12)	–	–	–	–	–	–	–	–	–	–	–
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10)	–	1	–	–	–	–	1	–	–	–	2
Semi-skilled and discretionary decision making (levels 4 – 7)	–	–	–	–	–	–	–	–	–	–	–
Unskilled and defined decision making (levels 1 – 3)	–	–	–	–	–	1	–	–	–	–	1
Total	–	1	–	–	–	1	1	–	–	–	3
Temporary employees	–	–	–	–	–	–	–	–	–	–	–
Grand total	–	1	–	–	–	1	1	–	–	–	3

Note: Occupational levels are prescribed by the Department of Labour. Temporary employees refer to persons employed on contract for a period of three months or less.

The three (3) disabled employees reflected in the above table represent 1.3% of the Department's total staff establishment.

Table 4.6.3: Recruitment, 1 April 2011 to 31 March 2012

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (levels 14 – 15)	–	–	–	–	–	–	–	–	–	–	–
Senior management (level 13)	–	–	–	–	–	–	–	–	–	–	–
Professionally qualified and experienced specialists and mid-management (levels 11 – 12)	1	1	–	1	1	1	–	1	–	–	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10)	5	4	–	1	1	11	1	2	–	–	25
Semi-skilled and discretionary decision making (levels 4 – 7)	1	1	–	1	5	8	–	–	–	–	16
Unskilled and defined decision making (levels 1 – 3)	–	1	–	–	1	2	–	–	–	–	4
Total	7	7	–	3	8	22	1	3	–	–	51
Temporary employees	–	–	–	–	–	–	–	–	–	–	–
Grand Total	7	7	–	3	8	22	1	3	–	–	51

Note: Recruitment refers to new employees, excluding transfers into the Department, mentioned in Table 4.5.1.

Table 4.6.4: Promotions, 1 April 2011 to 31 March 2012

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (levels 14 – 15)	-	-	-	-	-	-	-	-	-	-	-
Senior management (level 13)	1	-	-	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management (levels 11 – 12)	-	-	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10)	2	1	-	-	1	2	-	-	-	-	6
Semi-skilled and discretionary decision making (levels 4 – 7)	-	1	-	-	1	-	-	-	-	-	2
Unskilled and defined decision making (levels 1 – 3)	-	-	-	-	-	-	-	-	-	-	-
Total	3	2	-	-	2	2	-	-	-	-	9
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	3	2	-	-	2	2	-	-	-	-	9

Note: Promotions refer to the total number of employees promoted within the Department, mentioned in Table 4.5.7.

Table 4.6.5: Terminations, 1 April 2011 to 31 March 2012

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (levels 14 – 15)	-	-	-	-	-	-	-	-	-	-	-
Senior management (level 13)	1	-	-	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management (levels 11 – 12)	-	-	-	-	1	1	-	-	-	-	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10)	2	-	-	1	1	1	-	-	-	-	5
Semi-skilled and discretionary decision making (levels 4 – 7)	-	-	-	-	3	2	-	-	-	-	5
Unskilled and defined decision making (levels 1 – 3)	-	-	-	-	-	-	-	-	-	-	-
Total	3	-	-	1	5	4	-	-	-	-	13
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	3	-	-	1	5	4	-	-	-	-	13

Note: Terminations refer to those employees who left the employ of the Department, excluding transfers to other departments, mentioned in Table 4.5.1.

Table 4.6.6: Disciplinary actions, 1 April 2011 to 31 March 2012

Disciplinary actions	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Total	1	1	-	-	-	-	-	-	-	-	2

Note: The disciplinary actions total refers to formal outcomes only. For further information on the outcomes of the disciplinary hearings and types of misconduct addressed at disciplinary hearings, please refer to Tables 4.13.2 and 4.13.3.

Table 4.6.7: Skills development, 1 April 2011 to 31 March 2012

Occupational levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (levels 14 – 15)	-	3	-	-	-	3	-	-	6
Senior management (level 13)	2	2	-	1	2	1	1	-	9
Professionally qualified and experienced specialists and mid-management (levels 11 – 12)	4	8	1	2	2	11	-	4	32
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (levels 8 – 10)	9	16	-	-	6	15	1	3	50
Semi-skilled and discretionary decision making (levels 4 – 7)	1	2	-	-	7	9	-	-	19
Unskilled and defined decision making (levels 1 – 3)	-	2	-	-	-	1	-	-	3
Total	16	33	1	3	17	40	2	7	119
Temporary employees	-	-	-	-	-	-	-	-	-
Grand total	16	33	1	3	17	40	2	7	119

Note: The above table refers to the total number of personnel who received training, and not the number of training courses attended by individuals. For further information on the actual training provided, please refer to Table 4.14.2.

4.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 4.7.1: Signing of performance agreements by SMS members, as at 31 May 2011

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
Head of department	1	1	1	100
Salary level 14	4	4	4	100
Salary level 13	14	10	10	100
Total	19	15	15	100

Note: The allocation of performance related rewards (cash bonus) for Senior Management Service is dealt with later in the report. Please refer to Table 4.9.3.

Table 4.7.2: Reasons for not having concluded performance agreements with all SMS members on 31 May 2011

Reasons for not concluding performance agreements with all SMS members
All SMS performance agreements were signed by 31 May 2011

Table 4.7.3: Disciplinary steps taken against SMS members for not having concluded performance agreements on 31 May 2011

Disciplinary steps taken against SMS members for not having concluded performance agreements
No disciplinary steps required, as all SMS performance agreements were signed by 31 May 2011

4.8 FILLING OF SMS POSTS

Table 4.8.1: SMS posts information, as at 30 September 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
Head of department	1	1	100.0	–	–
Salary level 14	4	4	100.0	–	–
Salary level 13	14	10	71.4	4	28.6
Total	19	15	78.9	4	21.1

Table 4.8.2: SMS posts information, as at 31 March 2012

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
Head of department	1	1	100.0	–	–
Salary level 14	4	4	100.0	–	–
Salary level 13	14	11	78.6	3	21.4
Total	19	16	84.2	3	15.8

Note: The three (3) posts not yet filled are discussed further in Table 4.8.4.

Table 4.8.3: Advertising and filling of SMS posts, as at 31 March 2012

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in six months but filled in 12 months
Head of department	–	–	–
Salary level 14	–	–	–
Salary level 13	–	–	1
Total	–	–	1

Note: The post of Resource Beneficiation was advertised and filled within 12 months after the investigation on the possible establishment of the Economic Development Agency was finalised.

Table 4.8.4: Reasons for not having complied with the filling of funded vacant SMS posts – advertised within six months and filled within 12 months after becoming vacant

SMS level	Reasons for non-compliance
Head of Department	Not applicable
Salary level 14	
Salary level 13	<p>Enterprise Development The post became vacant in the current reporting period and was advertised within six months. After assessing the applications it was decided to re-advertise the post in order to obtain a broader pool of candidates. The Department is in the process of finalising the short-list and envisages filling the vacancy within the next reporting period.</p> <p>Commercial Arts and Entertainment It was decided not to proceed with the filling of the post until the restructuring process of the Department is finalised.</p> <p>Liquor Board In the previous reporting period the filling of the post was put on hold as a result of the proclamation of the Western Cape Liquor Act and the subsequent establishment of the Liquor Authority.</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 for not complying with the prescribed timeframes for filling SMS posts within 12 months
No disciplinary 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 2010/11, but paid in the financial year 2011/12. 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 2011 to 31 March 2012

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 beneficiary
African	7	53	13.2	124	R17 669.91
Male	3	18	16.7	62	R20 800.34
Female	4	35	11.4	61	R15 322.10
Coloured	18	113	15.9	491	R27 252.05
Male	7	43	16.3	142	R20 278.42
Female	11	70	15.7	349	R31 689.81
Indian	1	5	20.0	39	R38 572.80
Male	–	2	–	–	–
Female	1	3	33.3	39	R38 572.80
White	7	22	31.8	174	R24 845.43
Male	2	6	33.3	76	R37 756.80
Female	5	16	31.3	98	R19 680.88
Employees with a disability	2	4	50.0	47	R23 614.95
Total	35	197	17.8	874	R24 969.91

Note: Special awards in terms of article 37(2)(C) is not included in the above figures. The table relates to performance rewards for the performance year 2010/11 and payments effected in the 2011/12 reporting period.

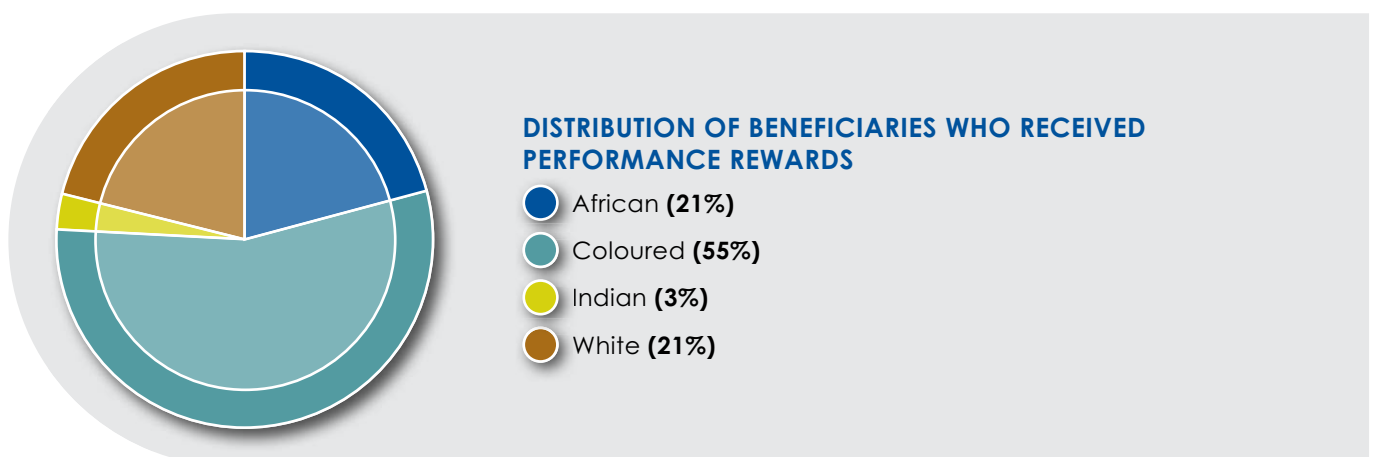


Table 4.9.2: Performance rewards by salary bands for personnel below senior management service, 1 April 2011 to 31 March 2012

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Total number of employees in group	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
Lower skilled (levels 1 – 2)	–	1	–	–	–	–
Skilled (levels 3 – 5)	6	41	14.6	69	R11 520.24	0.1
Highly skilled production (levels 6 – 8)	11	52	21.2	193	R17 581.06	0.3
Highly skilled supervision (levels 9 – 12)	15	86	17.4	447	R29 782.06	0.7
Total	32	180	17.8	709	R22 163.88	1.2

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1 – 12, reflected in Table 4.2.2.

Table 4.9.3: Performance related rewards (cash bonus), by salary band, for senior management service, 1 April 2011 to 31 March 2012

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Total number of employees in group	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
Senior Management Service Band A (level 13)	1	11	9.1	36	R36 362.40	0.3
Senior Management Service Band B (level 14)	2	4	50	129	R64 170.23	0.9
Senior Management Service Band C (level 15)	–	2	–	–	–	–
Total	3	17	17.6	165	R54 900.95	1.2

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 13 – 16, reflected in Table 4.2.2.

Table 4.9.4: Performance rewards by critical occupations, 1 April 2011 to 31 March 2012

Critical occupation	Beneficiary profile			Cost		
	Number of beneficiaries	Total number of employees in group	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
The Department did not register any particular occupations as more critical than others.						

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 2011 to 31 March 2012

Salary band	1 April 2011		31 March 2012		Change	
	Number	% change	Number	% change	Number	% change
Lower skilled (levels 1 – 2)	–	–	–	–	–	–
Skilled (levels 3 – 5)	–	–	–	–	–	–
Highly skilled production (levels 6 – 8)	–	–	–	–	–	–
Highly skilled supervision (levels 9 – 12)	–	–	–	–	–	–
Senior management (levels 13 – 15)	–	–	–	–	–	–
Total	None					

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

Table 4.10.2: Foreign workers by major occupation, 1 April 2011 to 31 March 2012

Major occupation	1 April 2011		31 March 2012		Change	
	Number	% change	Number	% change	Number	% change
Total	None					

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

4.11 LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2011 TO 31 DECEMBER 2011

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 incapacity 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 2011 to 31 December 2011

Salary band	Total days	% days with medical certification	Number of employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1 – 2)	27	63.0	2	4	50.0	14	6
Skilled (levels 3 – 5)	295	82.4	36	50	72.0	8	114
Highly skilled production (levels 6 – 8)	333	79.0	51	73	69.9	7	230
Highly skilled supervision (levels 9 – 12)	343	65.6	71	104	68.3	5	398
Senior management (levels 13 – 15)	29	69.0	13	18	72.2	2	63
Total	1 027	74.8	173	249	69.5	6	811

Note: The three-year sick leave cycle started in 2010. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, please refer to Table 4.11.2.

Table 4.11.2: Incapacity leave, 1 January 2011 to 31 December 2011

Salary band	Total days	% days with medical certification	Number of employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1 – 2)	–	–	–	4	–	–	–
Skilled (levels 3 – 5)	33	100.0	2	50	4.0	17	12
Highly skilled production (levels 6 – 8)	–	–	–	73	–	–	–
Highly skilled supervision (levels 9 – 12)	2	100.0	1	104	1.0	2	3
Senior management (levels 13 – 15)	–	–	–	18	–	–	–
Total	35	100.0	3	249	1.2	12	15

Note: The leave dispensation as determined in the “Leave Determination”, read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his/her normal sick leave, the employer must conduct an investigation into the nature and extent of the employee’s incapacity. Such investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee’s disposal. Incapacity leave is additional sick leave granted conditionally at the employer’s discretion, as provided for in the Leave Determination and PILIR.

The following table summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.11.3: Annual leave, 1 January 2011 to 31 December 2011

Salary band	Total days taken	Total number of employees using annual leave	Average days per employee
Lower skilled (levels 1 – 2)	30	2	15.0
Skilled (levels 3 – 5)	736	44	16.7
Highly skilled production (levels 6 – 8)	1 069	59	18.1
Highly skilled supervision (levels 9 – 12)	1 786	91	19.6
Senior management (levels 13 – 15)	300	18	16.7
Total	3 921	214	18.3

Table 4.11.4: Capped leave, 1 January 2011 to 31 December 2011

Salary band	Total capped leave available as at 31 Dec 2010	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 Dec 2011	Total capped leave available as at 31 Dec 2011
Lower skilled (levels 1 – 2)	–	–	–	–	–	–
Skilled (levels 3 – 5)	15	–	–	–	2	15
Highly skilled production (levels 6 – 8)	59	–	–	–	7	54
Highly skilled supervision (levels 9 – 12)	463	4	3	5	18	493
Senior management (levels 13 – 15)	17	–	–	–	3	17
Total	554	4	3	5	30	579

Note: It is possible for the total number of capped leave to increase as employees who were transferred into the Department retain their capped leave credits, which form part of the Departmental total.

The following table summarises payments made to employees as a result of leave that was not taken.

Table 4.11.5: Leave pay-outs, 1 April 2011 to 31 March 2012

Reason	Total amount (R'000)	Average payment per incident	Number of incidents
Leave pay-outs for 2011/12 due to non-utilisation of leave for the previous cycle	22	R21 846.72	1
Capped leave pay-outs on termination of service for 2011/12	–	–	–
Current leave pay-outs on termination of service 2011/12	84	R27 871.32	3
Total	106	R26 365.17	4
Total number of employees who received leave pay-outs			4

Note: Of the three (3) individuals who received leave pay-outs as a result of their termination of service, one (1) employee exited the Department during the previous financial year 2010/11, but the payment was effected in the current reporting period 2011/12.

4.12 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

Table 4.12.1: Steps taken to reduce the risk of occupational exposure, 1 April 2011 to 31 March 2012

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
<p>The nature of the Department's work does not expose employees to increased risk of contracting HIV/AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department</p>	<p>HIV/AIDS Counselling and Testing (HCT), screenings and awareness campaigns were delivered in general. The outsourced Health and Wellness contract (Employee Assistance Programme (EAP)) provides employees, their children, partners, spouses or other household members with a range of services. These services include the following:</p> <ul style="list-style-type: none"> • 24/7/365 telephone counseling • Face to face counselling (6 + 2 session model) • Trauma and critical incident counselling • Training and targeted interventions where these were required

Table 4.12.2: Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information), 1 April 2011 to 31 March 2012

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>Due to the corporatisation of the Employee Health and Wellness function, the Director: Organisational Behaviour, Pieter Kemp (Department of the Premier), fulfilled this role.</p>
<p>2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.</p>	√		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to eleven (11) participating departments, including the Department of Economic Development and Tourism.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and wellbeing of employees in the eleven (11) departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, three (3) team members and one (1) intern.</p> <p>Budget: R3.5 million</p>

Question	Yes	No	Details, if yes
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>The Department conducted interventions namely, Understanding and Managing Stress, Understanding and Managing Life Transitions and Manager Wellness Referral Coaching for all employees. These interventions were planned based on the trends reported quarterly through the Employee Assistance Programme (EAP) reports provided by the service provider, ICAS, for the period 2011/12. The reports were based on the utilisation of the EAP services and management information in order to target appropriate interventions to address these trends.</p> <p>The targeted interventions were aimed at improving employee engagement through awareness and educational interventions that promote healthy lifestyles and coping skills. This involves presentations to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. The above-mentioned interventions were conducted for all employees, including managers and supervisors.</p> <p>The Department also provided information sessions, as requested by various departments in the Provincial Government of the Western Cape (PGWC) to inform employees of the EHW service, how to access the Employee Assistance Programme (EAP). Promotional material such as pamphlets, posters and brochures were distributed.</p>
4. Has the Department established a committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		<p>A new Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>Committee members are:</p> <ul style="list-style-type: none"> • Agriculture: M Ferreira and H Jordaan (DJ) • Community Safety: A Brink; S Sekwadi and C Coetzee • Cultural Affairs: S Julie • Economic Development and Tourism: C Julies and P Martin • Environmental Affairs and Development Planning: M Kroese and P Visser • Health: S Newman and N van der Walt • Human Settlements: J Roberts and S Moolman • Local Government: F Matthee and W Bingham • Premier: P Kemp and Z Norushe • Provincial Treasury: B Damons • Social Development: T Mtheku • Transport and Public Works: C Marx and K Love • Western Cape Education: R Oosthuizen and C Pierce
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>The Transversal Management Framework for Employee Assistance Programmes in the Western Cape Provincial Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p> <p>DPSA has developed several national policy documents in 2007/8 that governs Employee Health and Wellness (EHW) in the Public Service and that co-ordinates the programmes and services in a uniform manner.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>During the period under review, the Department of the Premier has developed a Transversal Employee Health and Wellness policy. The draft document is being consulted. Further to this, the Department of Health is currently reviewing the Transversal HIV and AIDS/STI Workplace policy and programme that is applicable to all departments. The document is in the last stages of consultation to ensure alignment of all four pillars of the EHW Strategic Framework 2008.</p>

Question	Yes	No	Details, if yes
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>The Department implemented existing legislative and policy frameworks as well as Monitoring and Evaluation guidelines, which have been developed by DPSA. The overarching aim of these frameworks is to protect HIV-positive employees by advocating the implementation of the Three Zeros in line with the Joint United Nations Programme on HIV & AIDS (UNAIDS). These are Educational programmes and information sessions developed to eradicate stigma and discrimination and to raise awareness through:</p> <ul style="list-style-type: none"> • Zero new HIV, STI and TB infections • Zero deaths associated with HIV and TB • Zero discrimination <p>The Department has embarked on the HCT campaign to intensify DPSA "Know Your Epidemic and Know Your Response" campaign throughout the Western Cape.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> • Reduce HIV and TB discrimination in the workplace. This includes campaigns against unfair discrimination and empowerment of employees. • Reduce unfair discrimination in access to services. This includes ensuring that the Employee Relations Directorate addresses complaints or grievances and provides training to employees. • Other key elements that addressed anti-HIV/AIDS discrimination issues were: Awareness Raising Programmes that were conducted, posters and pamphlets were distributed, HIV/AIDS counselling and Testing (HCT) campaigns, condom distribution, and spot talks (speak out session by HIV/AIDS positive representatives).
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		<p>HCT SESSIONS</p> <p>The following screening sessions were conducted:</p> <ul style="list-style-type: none"> • Blood pressure, glucose, cholesterol, TB, eye test, BMI (body mass index) and spot talks. • The Department of Economic Development and Tourism participated in 11 screening sessions. • 33 employees were tested and counselled for HIV, tuberculosis and sexually transmitted infections (STIs). • There were no clinical referrals for TB, HIV or any other STI.
8. Has the Department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	√		<p>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 Employee Health and Wellness Programme (EHWP) is monitored through quarterly and Annual Reporting. This reporting is provided by the External Service Provider. The most recent annual health review period was 1 April 2011 – 31 March 2012. An Annual Health Report has been provided for six (ICAS) departments and an overview of all the six departments have been compiled in one presentation.</p> <p>The quarterly and annual review provides 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.</p> <p>The review further provides, amongst others, service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the work place.</p>

4.13 LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the Department.

Table 4.13.1: Collective agreements, 1 April 2011 to 31 March 2012

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 2011 to 31 March 2012

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	–	–
Verbal warning	–	–
Written warning	–	–
Final written warning	1	50.0
Suspension without pay	–	–
Fine	–	–
Demotion	–	–
Dismissal/desertion	1	50.0
Not guilty	–	–
Case withdrawn	–	–
Total	2	100.0
Percentage of total employment		0.7

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 4.13.3: Types of misconduct addressed at disciplinary hearings, 1 April 2011 to 31 March 2012

Type of misconduct	Number	% of total
Unauthorised absenteeism	1	50
Unauthorised access to information	1	50
Total	2	100

Table 4.13.4: Grievances lodged, 1 April 2011 to 31 March 2012

Grievances lodged	Number	% of total
Number of grievances resolved	–	–
Number of grievances not resolved	–	–
Total number of grievances lodged	None	–

Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances not resolved refers to cases finalised, but where the outcome was not in favour of the aggrieved and found to be unsubstantiated.

Table 4.13.5: Disputes lodged with Councils, 1 April 2011 to 31 March 2012

Disputes lodged with councils	Number	% of total
Number of disputes upheld	1	100
Number of disputes dismissed	–	–
Total number of disputes lodged	1	100

Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC).

Table 4.13.6: Strike actions, 1 April 2011 to 31 March 2012

Strike actions	Number
Total number of person working days lost	None
Total cost (R'000) of working days lost	–
Amount (R'000) recovered as a result of no work no pay	–

Table 4.13.7: Precautionary suspensions, 1 April 2011 to 31 March 2012

Precautionary suspensions	Number
Number of people suspended	None
Number of people whose suspension exceeded 30 days	–
Average number of days suspended	–
Cost (R'000) of suspensions	–

Note: Precautionary suspensions refer to staff being suspended with pay whilst the case is being investigated.

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 2011 to 31 March 2012

Occupational categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	–	14	–	14
	Male	10	–	9	–	9
Professionals	Female	–	–	–	–	–
	Male	1	–	15	–	15
Technicians and associate professionals	Female	106	–	179	–	179
	Male	51	–	91	–	91
Clerks	Female	8	–	9	–	9
	Male	6	–	36	–	36
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	–	–	–	–	–
	Male	–	–	–	–	–
Sub total	Female	124	–	204	–	204
	Male	69	–	152	–	152
Total		193	–	356	–	356
Employees with disabilities	Female	3	–	2	–	2
	Male	1	–	1	–	1

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Work Place Skills Plan.

Table 4.14.2: Training provided, 1 April 2011 to 31 March 2012

Occupational categories	Gender	Number of employees as at 31 March 2012	Training provided within the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	–	18	–	18
	Male	10	–	13	–	13
Professionals	Female	12	–	9	–	9
	Male	8	–	12	–	12
Technicians and associate professionals	Female	66	–	66	–	66
	Male	38	–	69	–	69
Clerks	Female	53	–	33	–	33
	Male	22	–	19	–	19
Service and sales workers	Female	1	–	–	–	–
	Male	3	–	–	–	–
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	2	–	–	–	–
	Male	2	–	4	–	4
Sub total	Female	143	–	128	–	128
	Male	84	–	117	–	117
Total		227	–	245	–	245
Employees with disabilities	Female	2	–	2	–	2
	Male	1	–	–	–	–

Note: The above table identifies the number of training courses attended by individuals during the 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 2011 to 31 March 2012

Nature of injury on duty	Number	% of total
Required basic medical attention only	–	–
Temporary disablement	2	100
Permanent disablement	–	–
Fatal	–	–
Total	2	100
Percentage of total employment		0.7

4.16 UTILISATION OF CONSULTANTS

Table 4.16.1: Report on consultant appointments using appropriated funds, 1 April 2011 to 31 March 2012

Project title	Total number of consultants that worked on the project	Duration: Work days	Contract value In Rand
Local Business Climate Survey	8	July 11 – 15 Nov 11 (98)	R97 470.00
Telecommunications Infrastructure: Connecting Communities	6	12 Sep 11 – 21 Jan 12 (95)	R287 500.00 Part of 2010/11 project
Telecommunications Infrastructure: Integrate additional strategic component into the master implementation plan	1	Feb 12 – March 12 (43)	R498 465.00
PPP Infrastructure Advisor	1	25 Jan 11 – 25 Jan 12 (262)	R299 000.00
Telecommunications Infrastructure: Connected business	6	Nov 11 – Feb 12 (87)	R499 616.00
Telecommunications: Integrate additional strategic components into the master implementation plan	1	10 Feb 11 – 31 Mar 12 (297)	R2 152 320.00
Telecommunications Infrastructure: Connected Government, Households and International Connectivity Business Case	8	1 Sep 11 – 21 Jan 12 (102)	R5 000 000.00
Telecommunications – Low Cost Computing: Connected Communities Business Case	6	Oct 11 – 22 Jan 12 (80)	R298 000.00
Red Tape Reduction in the procurement process	4	30 May 11 – 05 Nov 11 (115)	R79 846.00
SMME Survey	2	July 11 – 15 March 12 (185)	R438 000.00
World Cup SMME follow-up 2011 study	14	12 July 11 – 08 Oct 11 (64)	R193 549.00
Sector Body Evaluation	12	1 Sep 11 – 31 Oct 11 (43)	R126 768.00
Tourism Indicator Study	3	19 Dec 11 – 20 Mar 12 (67)	R196 250.00
OCP Survey	5	19 Dec 11 – 16 Mar 12 (65)	R282 400.00
Liquor Study	5	11 Jan 12 – 15 Mar 12 (47)	R250 000.00
OCP Benchmark Study	6	Feb 11 – 30 March 12 (43)	R180 000.00
Ostrich Industry Disaster Economic Impact Assessment	8	March 12 – 30 April 12 (36)	R233 700.00
Tourism Excellence Blueprint Study	5	27 Jan 12 – 15 March 12 (35)	R79 680.42
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
18	96	1 764	R11 192 564.42

Table 4.16.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2011 to 31 March 2012

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Local Business Climate Survey	88	88	Not indicated
Telecommunications Infrastructure: Connecting Communities	20	Not indicated	Not indicated (This project was for 2010/11)
Telecommunications Infrastructure: Integrate additional strategic component into the master implementation plan	0	0	0
PPP Infrastructure Advisor	0	0	0
Telecommunications Infrastructure: Connected business			
Telecommunications: Integrate additional strategic components into the master implementation plan	0	0	0
Telecommunications Infrastructure: Connected Government, Households and International Connectivity Business Case	10	10	2
Telecommunications – Low Cost Computing: Connected Communities Business Case	20	20	2
Red Tape Reduction In the procurement process	4.58	4.58	1
SMME Survey	20	20	1
World Cup SMME follow up study	20	20	Not indicated
Sector Body Evaluation	20	20	Not indicated
Tourism Indicator Study	0	0	3
OCP Survey	0	0	5
Liquor Study	0	0	5
OCP Benchmark Study	Not indicated	Not indicated	6
Ostrich Industry Disaster Economic Impact Assessment	44.9	44.9	4
Tourism Excellence Blueprint Study	55	55	Not indicated

Table 4.16.3: Report on consultant appointments using donor funds, 1 April 2011 to 31 March 2012

Project title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
None			

Total number of projects	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
None			

Table 4.16.4: Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (HDIs), 1 April 2011 to 31 March 2012

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

LIST OF ABBREVIATIONS

ADR	Alternative Dispute Resolution
AFDA	Academy for Film, Television and Dramatic Art
AFS	Annual Financial Statement
AMTS	Advanced Manufacturing and Technological Strategy
AOPI	Audit on Performance Information
APP	Annual Performance Plan
ARA	Association for Responsible Alcohol Use
ASRU	Aids and Society Research Unit
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
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	Cape Town International Convention Centre (Convenco)
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
COE	Compensation of Employees
CPUT	Cape Peninsula University of Technology
CSIR	Council for Scientific and Industrial Research
CTBi	Cape Town Boat Building and Technology Initiative
CTCIP	Clothing and 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
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
ED	Enterprise Development
EDF	Enterprise Development Fund
EHW	Employee health and wellness
EWP	Employee Well-being Programme
EPWP	Extended Public Works Programme
FASfacts	Foetal Alcohol Syndrome (facts)
FDI	Foreign Direct Investment

LIST OF ABBREVIATIONS

FEDHASA	Federated Hospitality Association of Southern Africa
FET	Further Education and Training
FIFA	Fédération Internationale de Football Association
FNB	First National Bank
GDP	Gross Domestic Product
GDPR	Gross Domestic Product per Region
GRAP	Generally Recognised Accounting Practice
HCT	HIV Counselling and Testing
HDIs	Historically Disadvantaged Individuals
HEI	Higher Education Institution
HoD	Head of Department
HR	Human Resources
HRD	Human Resources Development
HSRC	Human Sciences Research Council
ICAS	Independent Counselling and Advisory Service
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
JMA	Joint Marketing Agreement
JV	Joint Venture
LED	Local Economic Development
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
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
OCP	Office of the Consumer Protector
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

LIST OF ABBREVIATIONS

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
QA	Quality Assurance
RED	Real Enterprise Development
ROCCO	Radio Control Operator
ROI	Return on Investment
RLED	Rural Local Economic Development
RTLCL	Regional Tourism Liaison Committee
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 and 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
SETA	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
TEP	Tourism Enterprises Partnership
THETA	Tourism Hospitality and Sports Education and Training Authority
TSD	Trade and Sector Development
UWC	University of the Western Cape
UCT	University of Cape Town
US	University of Stellenbosch
WCADI	Western Cape Aquaculture Development Initiative
WCFI	Western Cape Furniture Initiative
WCEDA	Western Cape Economic Development Agency
WCFFI	Western Cape Fine Food Initiative
WCFI	Western Cape Furniture Initiative
WCTI	Western Cape Tooling Initiative
WCTD Framework	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

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