



**Western Cape
Government**

Economic Development
and Tourism



Annual Report 2014/15
Economic Development and Tourism

Department of Economic Development and Tourism

Province of the Western Cape

Vote 12

Annual Report
2014/15

SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

Mr Alan Winde

Minister of Agriculture, 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 2014 to 31 March 2015.

A handwritten signature in black ink, appearing to read 'Solly Fourie', with a stylized flourish at the end.

Mr Solly Fourie
Accounting Officer
31 August 2015

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Part A: GENERAL INFORMATION

PART A: GENERAL INFORMATION

1. DEPARTMENT'S GENERAL INFORMATION

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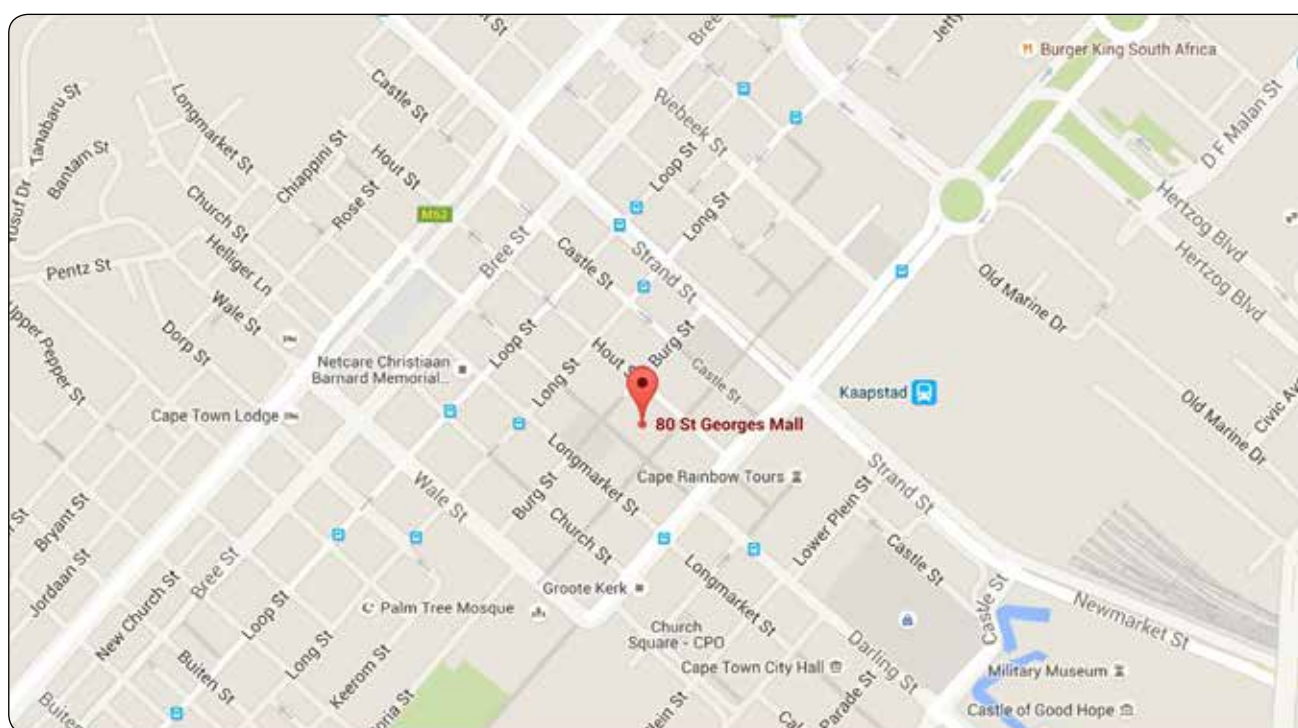
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Source: Google Maps, 2015

2. LIST OF ABBREVIATIONS/ACRONYMS

ACSA	Airports Company South Africa
AFS	Audited Financial Statement
AGSA	Auditor-General of South Africa
AIFMRM	African Institute for Financial Markets and Risk Management
AO	Accounting Officer
AOPI	Auditing of Performance Information
APP	Annual Performance Plan
BAS	Basic Accounting System
BBBEE	Broad-based Black Economic Empowerment
BER	Bureau for Economic Research
BESP	Built environment Support Programme
BPeSA	Business Process enabling South Africa
BPO	Business Process Outsourcing
CASIDRA	Cape Agency for Sustainable Integrated Development in Rural Areas
CATHSSETA	Culture, Arts, Tourism, Hospitality, Sports, Sector Education and Training Authority
CBMT	Competency-based Modulator Training
CCDI	Cape Craft and Design Institute
CCTC	Cape Clothing and Textile Cluster
CEI	Center for e-Innovation
CITI	Cape Information and Technology Initiative
CLOTEX	Cape Clothing and Textile Service Centre
CMT	Cut, Make and Trim
CPUT	Cape Peninsula University of Technology
CRDP	Comprehensive Rural Development Programme
CSC	Corporate Services Centre
CTFC	Cape Town Fashion Council
CTGA	Cape Tourist Guides Association
CTICC	Cape Town International Convention Centre
CTCIP	Clothing and Textile Competitiveness Improvement Programme
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of Southern Africa
DEADP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DITCom	Departmental IT Committee
DMO	Destination Marketing Organisation
DPSA	Department of Public Service and Administration
DST	Department of Science and Technology
DTM	Departmental Top Management
DTPW	Department of Transport and Public Works
dti	Department of Trade and Industry
EBA	Established Business Activity

ECM	Electronic Content Management
ED	Enterprise Development
EDP	Economic Development Partnership
EE	Employment Equity
EHWP	Employee Health and Wellness Programme
EIA	Environmental Impact Assessment
EPWP	Extended Public Works Programme
ERM	Enterprise Risk Management
FET	Further Education and Training
GDP	Gross Domestic Product
GDPR	Gross Domestic Product per Region
GEM	Global Entrepreneurship Monitor
GMT	Government Motor Transport
HCT	HIV Counselling and Testing
HDI	Historically Disadvantaged Individual
HOD	Head of Department
HRD	Human Resource Development
HSP	Human Settlements Plan
ICAN	Integrated Community Access Network
ICAS	Independent Counselling and Advisory Service
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IDZ	Industrial Development Zone
IFRS	International Financial Reporting Standards
ISO	International Organisation for Standardisation
IT	Information Technology
JMA	Joint Marketing Agreement
KZN	KwaZulu-Natal
LED	Local Economic Development
LLT	Liquor Licencing Tribunal
LRA	Labour Relations Act
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MERO	Municipal Economic Review and Outlook
MOA	Memorandum of Agreement
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NDPW	National Department of Public Works
NDT	National Department of Tourism
NEF	National Empowerment Fund
NFVF	National Film and Video Foundation

NGO	Non-Governmental Organisation
NO	National Outcome
NPO	Non-Profit Organisation
NT	National Treasury
OCP	Office of the Consumer Protector
OD	Organisational Design
PACA	Participatory Appraisal of Competitive Advantage
PDO	Pre-determined Objectives
PERA	Premier's Entrepreneurship Recognition Awards
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PPP	Public Private Partnership
PSCBC	Public Service Commission Bargaining Chamber
PSDF	Provincial Skills Development Forum
PSG	Provincial Strategic Goal
PSO	Provincial Strategic Objective
PSP	Provincial Strategic Plan
PT	Provincial Treasury
PWD	People with Disabilities
RIA	Regulatory Impact Assessment
RIN	Regional Innovation Network
RLED	Rural and Local Economic Development
RPL	Recognition of Prior Learning
RTL	Regional Tourism Liaison Committee
SALGA	South African Local Government Association
SAOGA	South African Oil and Gas Alliance
SAPS	South African Police Service
SARS	South African Revenue Service
SAT	South African Tourism
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SDA	Service Delivery Agreement
SEDA	Small Enterprise Development Agency
SEFA	Small Enterprise Finance Agency
SETA	Sector Education and Training Authority
SEZ	Special Economic Zone
SITA	State Information Technology Agency
SME	Small and Medium Enterprises

SMME	Small, Medium and Micro Enterprises
SO 1	Strategic Objective 1
SOE	State-owned Enterprise
SPV	Special Purpose Vehicle
STATSSA	Statistics South Africa
TGCSA	Tourism Grading Council of South Africa
TNPA	Transnet National Ports Authority
TSD	Trade and Sector Development
TFDS	Total Foreign Direct Spend
UCT	University of Cape Town
UK	United Kingdom
UNWTO	United Nations World Tourism Organisation
WCADI	Western Cape Aquaculture Initiative
WCFFI	Western Cape Fine Food Initiative
WCG	Western Cape Government
WCLA	Western Cape Liquor Authority
WCM	World Class Manufacturing
WCSD	Western Cape Supplier Database
WCTI	Western Cape Tooling Initiative
Wesgro	Western Cape Investment and Trade Promotion Agency
WISP	Western Cape Industrial Symbiosis Project
W&R SETA	Wholesale & Retail Sector Education and Training Authority

3. FOREWORD BY THE MINISTER

The Department of Economic Development and Tourism is tasked with driving the Western Cape Government's first strategic goal: The creation of opportunities for economic growth and jobs.

During the period under review, we embarked on a project, known as Project Khulisa, to devise a set of plans aimed at accelerating our economic performance in three key sectors: Tourism, Agri-Processing and Oil and Gas. And the Department has already made significant progress in aligning its efforts to support Project Khulisa.

To illustrate, in partnership with Wesgro, the City of Cape Town and Airports Company South Africa, we have added pace to the development of an air access strategy. This strategy will focus on making it easier for strategic and emerging markets to reach our province.

Moreover, construction of the second phase of the Cape Town International Convention Centre (CTICC) officially kicked off. The expansion of the CTICC will play a major role in driving business tourism.

In the oil and gas sector, the Saldanha Bay Industrial Development Zone was officially designated. This is an important milestone as we work to transform our region into a rig repair hub.

We have also made significant progress in the roll-out of our broadband and NPO public WiFi projects, assisting more than 48 000 residents.

In conjunction with these infrastructure developments, the Department is delivering a comprehensive skills strategy in partnership with tertiary institutions and the private sector. In fact, skills development is a key priority. As we grow the economy, residents must be appropriately skilled to take advantage of increased economic opportunities. And in the 2014/15 year, the first participants of the Artisan Development Programme wrote their official trade test which will allow them to become fully qualified artisans.

I'm equally pleased to announce that over 1 300 young people have now participated in our Work and Skills programme. This initiative is giving youth the on-the-job experience they need to get their first foothold into the economy.

On the enterprise development front, the Department continued to offer a range of support services for small businesses. In 2014/15, more than 8 000 businesses were assisted, which allowed for the facilitation of more than 15 000 jobs.

We know that the biggest challenges facing our economy are restrictive regulations and policy uncertainty. The Red Tape Reduction Unit hosted a successful Red Tape Reduction Conference in September 2014, providing a valuable platform to strengthen partnerships between all levels of government. Furthermore, calls to the Unit's Business Support Helpline increased by 43% and its resolution rate increased to 96.5%.

Overall, 2014 was a successful year for the Department, and I would like to thank its management and staff for their hard work. Indeed, it is as a result of this hard work that we have met our objectives in the 2014/15 financial year.

Going forward, I am confident we will build on these successes to shape the future economy of the Western Cape.



MR ALAN WINDE

MINISTER OF ECONOMIC OPPORTUNITIES

DATE: 31 JULY 2015

4. REPORT OF THE ACCOUNTING OFFICER

The Department has continued to demonstrate leadership within the regional economy, and through its seven programmatic structures, has significantly contributed to meeting the expectations of businesses and economic stakeholders. The activities of the Department spans a wide range of economic interventions and the aim of supporting a demand-led, private sector-driven approach to economic development was again successfully delivered.

Achievement for the year

Support to businesses primarily centred on financial and non-financial support aimed at strengthening business responses to the economic challenges. More than 8 000 SMMEs received such support to improve their economic footprint. Detailed analysis of business support through the year is captured further on in this report.

Our Red Tape Reduction Unit continues to do sterling work and many businesses were assisted with the elimination of inhibiting red tape. In fact, the Unit was very successful in responding to the needs of business by addressing 96.50% of the 1 881 queries logged with it.

With a strong need to increase the competitiveness of the region as an attractive investment destination, the Department's efforts to improve the gap between skills demanded and provided, were impressive and the Artisan Development Programme assisted 187 young people to enrol in the programme. Our sector development team continued to be the catalyst in assisting sectors to be more productive through cluster approaches and more competitive and better methods of manufacturing. Also, 4 182 job opportunities were created through trade and export promotion. In addition, the region once again enjoyed a very successful visitor season, and the role of the Department in promoting the destination as a key tourist haven, contributed to this.

The designation of the Saldanha Industrial Development Zone as well as the roll-out of pilot projects within Stream 2 of the Broadband project are key catalytic economic infrastructure projects which contributed to the region becoming more competitive and enabling of a thriving economy.

From a regulatory perspective, the Department plays an oversight role of the Liquor Authority. Its achievements and the continued success of the Office of the Consumer Protector all contributed to a well-functioning economic system.

Challenges for the year

The continued difficult economic trading conditions contributed to the constrained economic growth and increasing levels of unemployment. In addition, we have seen a greater constraint flowing from the energy challenges and the growing uncertainty of energy security and the negative effect that this had had on business confidence.

It is primarily the over-riding national macro-economic conditions which make investment attraction difficult and without adequate investment into the region's economy, job creation will lag behind.

The challenging and uncertain global economic situation continued to present the Western Cape region with particular systemic challenges which, due to the uncertainties of predictive consumer behaviour, affected our planning. This global situation has had and will continue to have a negative effect on investor sentiment, leading to possible decreased focus on job creation by firms.

Departmental receipts

Departmental receipts	2014/15			2013/14		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	25 000	27 411	(2 411)	24 000	28 328	(4 328)
Casino taxes						
Horse racing taxes						
Liquor licences	25 000	27 411	(2 411)	24 000	28 328	(4 328)
Motor vehicle licences						
Non Tax Receipts	6 074	10 303	(4 229)	270	3 253	(2 983)
Sale of goods and services other than capital assets	270	436	(159)	270	388	(118)
Transfers received	500		500			
Fines, penalties and forfeits						
Interest, dividends and rent on land		3	(3)		14	(14)
Sale of capital assets						
Financial transactions in assets and liabilities	5 304	9 871	(4 567)		2 851	(2 851)
Total	31 074	37 721	(6 640)	24 270	31 581	(7 311)

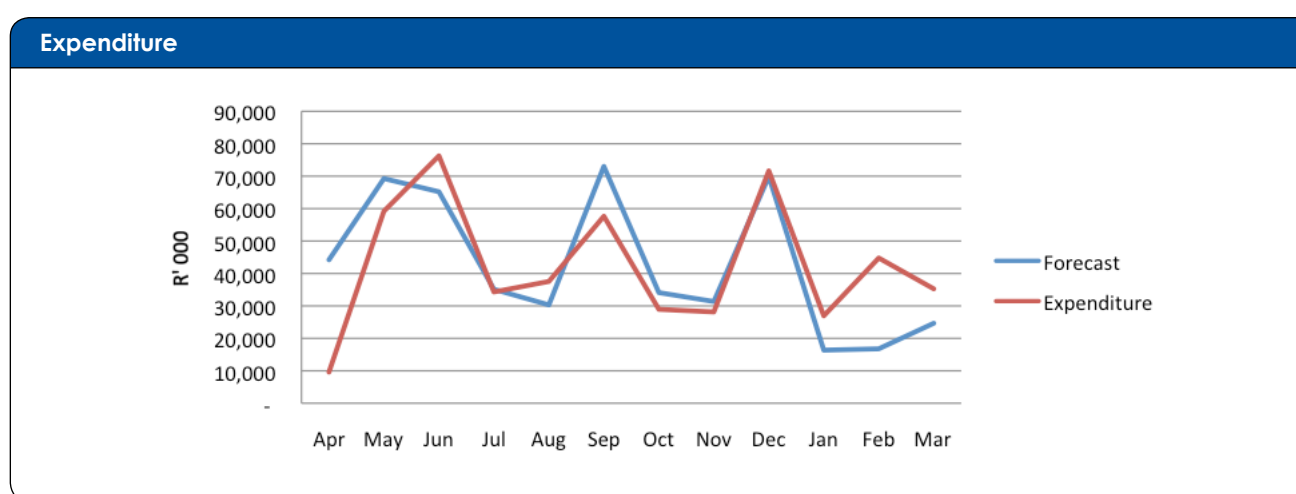
Actual revenue collected with regard to liquor license fees was exceeded by R2.411 million. This was primarily due to a greater number of outlets being licensed due to a drive by the Liquor Authority to reduce the number of unlicensed establishments.

In terms of the tourist guide registration fees 1 666 tourist guides were registered during the financial year resulting in an over-collection of revenue of R159 000.

During the financial year, the Department over-collected on its financial transactions in assets and liabilities by an amount of R 4.567 million. This was as a result of the Liquor Authority paying back surplus funding from previous financial years. These funds were re-allocated to the Liquor Authority during the Adjustment Estimate process.

Programme expenditure

Fiscal discipline will remain a high priority for the Department. However, it should be noted that the aim is not merely to spend the Department's annual appropriation for the sake of spending, but rather to align spending to the requirements of the economy and strategy employed by the Department. In this regard, the Department expended 99.71% of its annual appropriation compared to 98.5% of the previous financial year.



As can be seen from the graph above, the Department expended its financial resources in accordance with its planned expenditure targets. This was achieved primarily through the diligent monitoring of expenditure by all levels within the Department. Furthermore, initiatives were put in place to closely track and report on all deviations to plans, and remedial measures were immediately put in place once risks were identified.

Programme		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as a percentage
		R'000	R'000	R'000	R'000	R'000	R'000	%
1.	Administration	35 346		210	35 556	35 529	27	99.9
2.	Integrated Economic Development Services	57 124		2 498	59 622	59 269	353	99.4
3.	Trade and Sector Development	236 850		(255)	236 595	235 959	636	99.7
4.	Business Regulation and Governance	49 193		(70)	49 123	49 123	-	100
5.	Economic Planning	41 691		(452)	41 239	41 014	225	99.5
6.	Tourism, Arts and Entertainment	45 002		135	45 137	45 099	38	99.9
7.	Skills Development and Innovation	45 090		(2 066)	43 024	43 015	9	100
Total		510 296	-	-	510 296	509 008	1 288	99.7

During the 2014/15 financial year, the Department expended 99.7% or R 509.008 million of its allocated budget in the execution of its mandate as articulated in Provincial Strategic Goal 1. This spending is well within the Provincial norm of a 2% variance from adjusted appropriation.

It should be noted that the Department's underspending for the year under review was as a result of three transfer payments which could not be processed during the financial year. The Department, as part of its objective to promote excellent financial governance in all institutions it does business with, withheld funding to a non-profit entity which flouted its financial responsibilities with regard to state funding. Various remedial measures were put in place to assist the entity; however, funds could not be transferred at year-end.

A further saving resulted from a transfer payment to the Business Bridge where matched funding could not be realised as per the agreement to support business enterprises.

It should be noted that the Department effected a total of 14 virements of which a total of R2.498 million was transferred to Programme 2: Integrated Economic Development Services to support the DEDAT/NEF Enterprise Development Fund and R220 000 was transferred to Programme 6: Tourism Arts and Entertainment to supplement funding to Wesgro (DMO) in support of its major events initiative which aims to attract visitors to the Western Cape. Furthermore, an amount of R210 000 was transferred to Programme 1: Administration for the purchase of four motor vehicles.

In terms of revenue, the Department budgeted an amount of R31.07 million. This estimate was based on: R25 million for liquor license fees and a further R270 000 for sale in terms of the registration fee of tourist guides; R500 000 was to be transferred from Vote 8: Human Settlements for the Better Living Challenge as part of the Adjustment Estimate process and R5.304 million was budgeted on Financial Transactions in assets and liabilities

Future plans of the Department

The finalisation of Provincial Strategic Goal 1 (PSG1) has led to a focus on the Department's strategic and collaborative role within the broader economic environment. The objectives of PSG1, which contains a specific focus on strengthening the region's ability to attract investment, will also bring about fresh challenges for the Department.

The Department has always played a strong leadership and influencing role within the economy but this role will now be much more of a catalyst to bring about greater collaboration and integration and to foster co-ordination throughout the three spheres of government to ensure optimisation of effort to construct a strong, globally competitive and prosperous region. It will be more about horizontal and vertical leadership integration, deliberate delivery and promoting a strongly innovative region to ensure that businesses respond to the challenge of investment in order to create opportunities for economic growth.

The Department will focus all its intentions on the realisation of activities detailed in PSG1 and will continue to build on the platform laid over the last year to accelerate programmes and projects such as:

- a) Successful roll-out of Broadband for the Economy and other key economic catalytic infrastructure projects;
- b) Effective skills development within artisan development and business optimisation
- c) Projects implemented within the Green Economy, including delivery on energy security;
- d) Strong support for the growth and expansion of strategic sectors;
- e) Maximisation of efforts to ensure that the region is known as a place where there is the ease of doing business;
- f) Scaling up our efforts to promote a thriving Visitor Economy;
- g) Finalisation of action plans in terms of transversal linkages to meet the demands of PSG1;
- h) Push for the establishment of a strong innovative environment for business to grow and expand.

Public Private Partnerships

No PPP was entered into during the year under review.

Discontinued activities

No activities were discontinued during the 2014/15 financial year.

New or proposed activities

Flowing from the Provincial Strategic Plan, the Department has been tasked with leading PSG1: Create opportunities for growth and jobs. In giving countenance to PSG1, Project Khulisa, was initiated as the first "Game Changer" of the provincial government's economic strategy.

The purpose of Project Khulisa was to accurately identify parts of the Western Cape economy with the greatest potential for accelerated and sustained growth and job creation.

Project Khulisa introduced a phased approach in expressing PSG1:

- 1) Agreed definitions. The economic landscape is a complex one. "Sector" and other definitions are not easily defined, which leads to counting and other inaccuracies. SIC codes are often out of date and at times offer very little insights for the purpose of economic stimulation. The first step in expressing PSG1 was to agree on the definitions of a sector list and to understand the structure of the Western Cape economy.
- 2) Agreed baselines. Baseline data from a number of sources such as IHS Global Insights, the Department's own intelligence and other sources was developed and agreed upon. The baseline identified economic employment contribution, historic and potential growth for each sector.
- 3) Clear selection criteria. Phase 3 recognised that governments often attempt to do too much with too little resources, which often lead to sub-optimal outcomes because of a lack of focus and resource shortages. Phase 3 set out clear criteria for opportunity selection. The selection criteria used two lenses: attractiveness and feasibility. Attractiveness of a sector is driven by the sector's current contribution to provincial value addition, jobs and growth rates. Sector feasibility is determined by:
 - a. Western Cape Government's ability to influence critical policy levers;
 - b. The availability of critical competitive factors, such as talent availability, ease of talent development, available infrastructure, natural resources and financing;
 - c. Commitment and appetite of the private sector, which includes current and planned business-backed projects.

In addition to economic growth, the potential for creation of large numbers of entry-level jobs and the impact on rural as well as urban areas were factored into the selection criteria. Considering the significant unemployment amongst low-skilled workers, low-skilled employment creation was suitably weighted in the development of the selection model. This process led to the exploration of six high-potential opportunities that satisfied the selection criteria which could deliver meaningful jobs and growth within a 3-5 year timeframe.

SCM processes and systems to prevent irregular expenditure

The Department reviewed the composition of the bid committees to enhance the efficient functioning of the committees but with consideration of the overriding principles of transparency and accountability.

The Departmental Bid Adjudication Committee (DBAC) meetings were convened regularly as per the adopted DBAC meeting calendar and hence no DBAC matters were outstanding for the year under review.

At the commencement of all bid committee meetings, members declare their interest to counter corruption or any allegations of favouritism, should the resulting quote or bid or part thereof, be awarded to persons employed by the institution, or to persons connected with or related to members.

The Code of Conduct is an important part of the Department's culture and all staff appointed within the Supply Chain Management Unit, sign the Code and their acknowledgement of the content of the Code of Conduct is kept on file by the Head of Supply Chain Management.

The Department remains on course with the implementation of its Supply Chain Management Policy and has steadily improved overall service delivery.

Gifts and donations

For the year under review the Department received no gifts or donations, however, a gift register is in place and is available for audit purposes.

Exemptions and deviations received from the National Treasury

No exemptions or deviations were received from National Treasury during the reporting period.

Events after the reporting date

At the time of preparing and submitting the annual financial statements, there is an additional shareholding in the CTICC that will be purchased during the 2015/16 financial year.

The IDZ is currently in the process of registering as a Schedule 3 (d) Public Entity.

Acknowledgements

I acknowledge and appreciate the support, leadership, guidance and encouragement given by MEC Winde and his office staff as well as the cabinet of the Western Cape during the financial year. Thank you, also, to my hard-working and dedicated management team, and DEDAT staff who have remained committed and focussed to ensure that we continue to progress in achieving our goals and objectives. Finally, thank you to all our business partners and economic stakeholders who have engaged with DEDAT over the year and contributed to our vision to grow the economy.



MR SOLLY FOURIE

ACCOUNTING OFFICER

DATE: 31 JULY 2015

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The annual financial statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2015.

Yours faithfully



MR SOLLY FOURIE

ACCOUNTING OFFICER

DATE: 31 JULY 2015

6. LEGISLATIVE MANDATE

Several acts 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)

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).

Western Cape Investment and Trade Promotion Agency Amendment Act, 2013. (Act 6 of 2013)

To amend the Western Cape Investment and Trade Promotion Agency Act of 1996, so as to extend the objects, powers and functions of the Western Cape Investment and Trade Promotion Agency and the powers and duties of directors of the Board of the Agency and the chief executive officer to include tourism promotion; to amend the name of the Agency; to disestablish the Destination Marketing Organisation; to repeal the Western Cape Tourism Act, 2004; and to provide for matters incidental thereto.

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

To amend the Western Cape Liquor Act, 2008, so as to provide for the establishment of the Western Cape Liquor Authority, comprising of a Governing Board and a Liquor Licensing Tribunal; to make further provision regarding the staff of the Authority; to further regulate the filling of vacancies on the Governing Board, Liquor Licensing Tribunal and Appeal Tribunal; to provide for all delegations in terms of the Act to be in writing; to make different provision regarding the remuneration, allowances and other terms and conditions of service of certain functionaries; to provide for the person appointed as Appeal Tribunal to serve on a part-time basis; to remove the possibility of a special event liquor licence being granted to a school; to regulate anew the lodgement of certain applications and reports; to clarify the competency of municipalities to determine trading days and hours for businesses selling liquor.

Businesses Act, 1991 (Act 71 of 1991)

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

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

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

Small Business Amendment Bill, 2004

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

Municipal Systems Act, 2000 (Act 32 of 2000)

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

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

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

The National Integrated Manufacturing Strategy

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

The Advanced Manufacturing and Technological Strategy

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

The National Tourism Act, 2014 (Act 3 of 2014)

To provide for the development and promotion of sustainable tourism for the benefit of the Republic, its residents and its visitors; to provide for the continued existence of the South African Tourism Board; to provide for the establishment of the Tourism Grading Council; to regulate the tourist guide profession; to repeal certain laws; and to provide for matters connected therewith.

7. ORGANISATIONAL STRUCTURE





8. ENTITIES REPORTING TO THE MINISTER

Name of entity	Legislation	Nature of Business
Western Cape Investment and Trade Promotion Agency (Wesgro)	Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)	Wesgro is the official Destination Marketing, Investment and Trade Promotion Agency for the Western Cape, located in Cape Town
<i>Saldanha Bay Industrial Development Zone Licensing Company (SBIDZ LiCo)</i>	None	<i>The SBIDZ LiCo is a subsidiary of Wesgro and is responsible for the promotion, management and marketing of the industrial development zone in the Saldanha Bay area as well as ancillary activities that are required for the establishment of the IDZ.</i>
Western Cape Liquor Authority	Western Cape Liquor Act 2008 (Act 4 of 2008)	The Western Cape Liquor Authority regulates the retail sale and micro-manufacturing of liquor in the province. It will also facilitate transformation of the liquor industry in the Western Cape by promoting the entry of new licence holders and aims to ensure the responsible use of liquor.



Part B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 202 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service delivery environment

The Department's Regional and Local Economic Development strategy is to promote economic development efforts within local economies through targeted interventions that contribute to a growing regional economy. Over the past year, the efforts to improve Local Economic Development were focused on creating an enabling environment for opportunities for growth and jobs through the provision of support to local regions. This was done by focusing on strengthening local government capacity and facilitating sound regional co-ordination of public-private economic activities that land spatially across the district areas.

A Municipal Support Programme was implemented that looked at both assessment and measurement of municipal proficiency and performance, along with developing interventions to address identified areas for improvement. The LED Maturity Assessment results reflect that 25 of 27 participating municipalities showed positive improvement (i.e. growth in terms of the previous years' scores), with seven municipalities showing significant improvement (improvement above 10% year-on-year). The past year's maturity assessment scores show an overall improvement of 5% when compared to the 2014 overall improvement scores. The municipal capacity support provided across all five districts, focused on building both district-specific economic expertise and knowledge (such as the Performance Appraisal for Competitive Advantage projects) and provincial-wide LED skills training (such as the LED Councillor Training and the accredited LED Professionalisation Programme).

As a facilitator and co-ordinator of support to local and district areas, a Regional Coordination Programme was implemented to ensure that essential links between national, provincial and local priorities and delivery occurred within regions in a far more integrated manner. The programme included projects geared at intra-, inter-, and external coordination initiatives, such as the development of regional economic agendas per district, to ensure sectoral, geographic and partnership plans are well-informed and aligned to PSG1 objectives. Also, transversal and geographic-specific priority projects were supported (such as the Transversal BESP Project where the Department developed a criteria municipalities could use to inform the positioning of informal sector trading spaces in a municipal area to improve the alignment of the municipal LED plans to that of its SDF and HSP) that, along with its accompanying pilot roll-out, promote added value given its ability to be replicated.

The Cape Catalyst initiative within the Department develops and facilitates industry-orientated infrastructure projects tailored to the needs of industry and economic development. There are six key projects within the Unit which are at various stages of development and implementation, including: (1) Saldanha Industrial Development Zone, where the initial construction work has started, (2) Broadband, which comprises of a set of citizen and business-orientated projects aimed at stimulating access, skills and usage with a number of pilot projects launched or set to launch in 2015; (3) Cape Health Technology Hub, where Wesgro will project-manage the pre-implementation stage of the project; (4) the Design Initiative where activities in the financial year saw the support of the City of Cape Town's World Design Capital and the launch of Phase 1 of the Design Hub at the CCDI's new facilities; (5) Air Access, which has been broadened for a more comprehensive approach regarding air market access; and (6) the Cape Town International Convention Centre expansion, in which the major earthworks have been initiated during the 2014/15 financial year.

The Sector Development Programme has continued to exceed expectations with strong delivery across most of the sectors in which the Department is involved. This has been boosted by significant leveraged funding from the Jobs Fund, international donors as well as from national programmes such as the dti's Manufacturing Development Programme and SETA funding. This has seen the Special Purpose Vehicle (SPV) model leveraging around 100% of the funding that has been put in, and has allowed significant sector delivery capacity to be developed across the 12 SPVs that are supported.

The resource-based sectors have seen an ongoing development of the agri-processing strategy, leading to the sector being prioritised as one of the Project Khulisa priorities. The Western Cape Fine Food Initiative has expanded membership dramatically, and is well placed to grow niche businesses across the sector. It has also been central to an exciting new initiative to develop a Halaal Park targeting export markets in the middle and Far East. The aquaculture industry has continued its expansion, with more than R50 million of incentives provided to new operations, representing 55% of the national uptake of the aqua-incentive. The Doringbaai aquaculture development zone is in the early stage of development and will represent a major boost in the capacity of the industry.

Regarding the manufacturing sector, the clothing and textile sector has continued its strong growth trajectory, with constraints starting to be felt by manufacturers in terms of capacity and experienced machinists. The dti has, since the introduction of the new clothing incentive, invested R1.261 billion into the Western Cape apparel sector, representing some 40% of the total incentives across South Africa.

The metals and engineering sector has focused on the benchmarking and upgrading of firms in order to focus on the localisation opportunities that exist in spending by the parastatals that will be in the tens of billions. The Western Cape Tooling Initiative has recently established a new Metals and Engineering Centre of Excellence that will be a major resource for industry.

The oil and gas sector has continued to grow from strength to strength, with the IDZ moving steadily ahead, a marine oil and gas academy being launched during the year and major refits taking place, including a R1.3 billion project which represents the largest single project ever completed in the sector. The opportunities generated influenced the choice of oil and gas as a priority project under Project Khulisa.

The green economy and renewable energy work continued as a priority for the government, and include progress on the feasibility studies for the LNG importation and power project, the waste and smart meter developments with municipalities and the progress with the Green Manufacturing Development Zone in Atlantis. This project has seen the completion of all the elements of the feasibility study, as well as the preparation of the business plan and application to the DTI for designation. It has already landed a R300 million investment in wind-tower production, by Gestamp, a Spanish-owned firm. The energy work done to date has provided the critical foundation for the "Energy Security Game Changer" that has recently been approved by Cabinet in an effort to address this crisis.

During the financial year, the Western Cape Industrial Symbiosis Programme (WISP) has successfully increased the size of its industrial symbiosis network to more than 200 companies. This programme aims to facilitate synergies between companies in order to identify and realise business opportunities from unused or residual resources. To date 282 tonnes of waste has been diverted from landfill and economic benefits (additional revenue, cost savings and private investment) in excess of R6.5 million rand have been achieved. GreenCape, the sector development agency of the Green Economy has played a significant role as an implementing agent for many of the Western Cape Government's programmes, and has built up strong capacity and credibility across industry.

On the improved living thematic area, the first Better Living Challenge showcase was delivered successfully at the forecourt of Cape Town Station. The showcase featured 54 exhibitors and finalists' innovative home improvement products and solutions. Benefits of the showcase included the establishment of new partnerships and sales opportunities. The winners of this challenge will receive dedicated business support in the coming year to assist in taking their products to market.

On the services side, the major focus has been on the BPO sector and ICT sectors, as well as on financial services. The Department helped leverage R30 million towards a new financial services training institute at UCT, which is also supported by a number of the Cape-based financial services houses.

The BPO sector looks as if it will meet its targets, continuing its strong growth on the previous two years. The sector has seen incentives targeting 14,632 new seats being created in the province since the inception of the programme with BPeSA winning the European and UK Offshore Destination of the year. However, there were challenges. The high turnover rates of call-centre agents could threaten the credibility of the sector in the eyes of the international community and has necessitated a major skills thrust.

On the ICT side, the Bandwidth Barn has continued to win awards, and was shortlisted as one of the most innovative projects in South Africa, winning the support of Telkom by becoming one of their main CSE projects. The Capaciti skills development project has been successfully managed, and with the funding from the Jobs Fund, is on route to meeting its targets in terms of training and placements.

Skills development has been identified as a major constraint to higher levels of economic growth and development and remains one of the policy priority areas for the Western Cape Government. The National Development Plan (NDP) puts a strong focus on education and public employment initiatives aimed at boosting economic growth and job creation. The Department's Skills Development and Innovation Programme is key in facilitating or implementing such initiatives.

In the 2014/15 financial year, the Skills Development and Innovation Programme was actively involved in efforts to smooth out the many challenges that arise in the transition from education to employment. Important in this regard has been the establishment and functioning of the Premier's Council on Skills (PCS). It has been reconstituted and renamed as the Provincial Human Resource Council, in alignment with the Human Resource Development Council of South Africa, the national structure which is chaired by the Deputy President of South Africa.

The PCS also afforded an opportunity to announce the West Coast Education and Skills Plan, designed by DEDAT and key partners, such as the Saldanha Bay IDZ, dti, IDC, SAOGA, FET colleges and the district and local municipalities. This skills plan is an attempt to address skills requirements of the region.

Interaction with the national government through the Departments of Labour and Higher Education and Training, the dti, and the SETAs, helped improve alignment of the planning of skills development processes with national imperatives, provincial developments and local ecologies. These have been further crystallised through the appointment and functioning of the SETA cluster.

The conceptualisation and progress to the finalisation of the development of the e-skills platform - an integrated technology tool that was conceptualised in 2014/15 - has reached maturity levels. The platform will promote communication on skills development initiatives and interventions, provide much needed career awareness and introduce e-learning content and learner management initiatives to drive self-empowerment to achieve academic progress and excellence.

The Provincial Skills Coordination sub-programme has also completed research and development of strategic skills development frameworks for engaging the Broadband / ICT space to ensure that there is a proactive approach to developing the required skills to understanding and interacting with Broadband/ICT ahead of the province-wide roll-out of broadband infrastructure.

The Workforce Development sub-programme was able to further promote employability in labour-absorbing industries of the Western Cape. Through the Work and Skills Programme, which recently introduced a Technical Skills Programme, and the Artisan Development Programme the Western Cape was able to increase access to occupationally-directed programmes for over 1 200 unemployed young people. These programmes helped beneficiaries enter intermediate and higher level learning opportunities and facilitated the employability of youth exiting matric in labour absorbing sectors.

A number of free services related to the work of the Department were rendered directly to the public. These services were provided to disadvantaged persons and or emerging entities that would not necessarily be able to afford the professional fees charged within the private sector. These included the following services:

- The Office of the Consumer Protector (OCP) provided advice to consumers regarding their rights in poor business practices.
- Supplier development programmes were offered to small businesses to increase their capabilities to access procurement opportunities.
- Business training was provided to SMMEs to assist them in growing their businesses as well as improve business sustainability.
- Tourist guide training was provided to newly-registered tourist guides primarily to improve the service standards of individual guides within the Province.
- Job readiness and life skills training were provided through the Work and Skills Programme to unemployed youth and recent school leavers to enable them to enter the job market.

2.2 Strategy to overcome areas of underperformance

The economic environment in which the Department operates is a dynamic one. Therefore, it is imperative for this Department to ensure that all targets set are market-driven and demand-led. The process of setting targets is therefore extremely complex given the nature of economic conditions, specifically around investment promotion, trade, jobs and business confidence.

As a first step to ensuring that a programme does not under-perform on any of its performance indicators, the Department initiated a process whereby indicators can be better determined. The Department has initiated the drafting of a Funding Proposal document for each project which would contribute towards the Department's objectives. This document allows the Programme to describe the environment in which it operates, identify a problem statement and subsequent sub-problem statement and articulate the strategies and projects that would mitigate or remedy these problems. All indicators are then geared to remedying the actual challenges or market failures within the respective work areas. This process has also ensured that the Department can focus its attentions on indicators that measure the things that can and should be measured.

Furthermore, the process also allows for the Department to budget for projects and programmes which will directly impact on the achievement of targets. It should however be noted that a primary criterion for the setting of targets is past performance. By examining the past, the Department can, to a certain extent, gauge target-setting given any amendments in budget allocation and concomitant changes in performance trends.

In terms of performance monitoring, reports are provided to the Accounting Officer who, through one-on-one meetings with each Programme Manager, evaluates the performance of each programme. Performance of each work area is furthermore discussed during the Departmental Top Management (DTM) meetings on a monthly basis where areas of uncertainty are debated and remedial actions, where necessary, are agreed upon. In addition, all performance information is reviewed on a quarterly basis in terms of the Quarterly Performance Reports submitted to the Provincial Treasury at the end of each quarter.

2.3 Service delivery improvement plan

The Department has completed a Service Delivery Improvement Plan (SDIP). The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
To act as a consumer protection agency within the Western Cape by virtue of the provisions of provincial and national legislation				
	<ul style="list-style-type: none"> Consumers Small businesses (with an annual turnover or asset value of less than R2 million) NGOs Government departments Local authorities 	a) 65% of consumer complaints were resolved (target was 55%). b) A satisfaction rate of 59% was recorded (target was 54%).	a) 60% of consumers complaints resolved. b) 60% of consumers indicating satisfaction with the level and standard of service provided by OCP.	a) 80% of consumer complaints were resolved. b) A satisfaction rate of 47% was recorded. The actual achievement only relates to the services within one component of the Office of the Consumer Protector, namely complaints management. It is noted that if the additional unit's service offerings were measured it would result in an achievement or over-achievement of the stated target.
To provide for registration of tourist guides in the province as per the Tourism Second Amendment Act				
	<ul style="list-style-type: none"> Tourist guides Association of Tourist Guides Tourism industry 	a) 1 476 Tourist guides registered (The SDIP target of 1 500 was reviewed to 1 000 in line with the APP). b) Percentage of tourist guides registered was removed from the APP - this therefore was not measured.	a) 2 000 tourist guides registered. b) 80% of tourist guides indicating satisfaction with the level and standard of service provided by the registration office.	a) 1 666 tourist guides were registered and or renewed. Target reviewed to 1 000 in line with the Annual Performance Plan. b) No formal complaints received with regard to the standard of performance of the Unit.

Batho Pele arrangements with beneficiaries (Consultation, access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
To act as a consumer protection agency within the Western Cape by virtue of the provisions of provincial and national legislation		
Consultation:	Consultation:	Consultation:
a) Citizen surveys were conducted during workshops. In addition an annual survey relating to consumer awareness in the province and customer satisfaction rates was conducted.	a) Citizen surveys	a) A citizen survey which dealt with satisfaction levels as well as areas where service delivery could be enhanced was completed. The areas of enhancement will be included within the operations of the units.
b) A total of 246 workshops were conducted with communities and other stakeholders across the province.	b) Workshops	b) Workshops conducted.
c) All cases logged with the Office of the Consumer Protector were responded to in writing either via e-mail or post.	c) Written correspondence	c) The standard operating procedure, which is in place, dictates that all matters must be finalised by way of a written report to the consumer. This is currently in operation.
d) Telephonic queries were attended to.	d) Telephonic	d) The OCP remains one of the leading provincial offices as far as providing a toll free call centre to clients. This ensures that calls are attended to and communication is effective with clients.
e) All cases logged with the OCP were responded to in writing either via e-mail or post.	e) E-mails	e) The standard operating procedure currently obligates the OCP to adhere to this communication mechanism.
f) Community outreach initiatives were conducted. This took the form of workshops/information sessions as well as participation in various community outreach programmes via the Thusong Service Centre project.	f) Community outreach initiatives	f) The OCP has implemented numerous outreach initiatives aimed at enhancing consumers' knowledge about their consumer rights and obligations. In addition, a specific project was implemented to deal with the issue of financial literacy in rural areas.
g) Telephonic queries, received via the toll free call centre, were attended to.	g) Toll free call centre	g) The toll free call centre is in operation and provides an accessible and user friendly point of contact for citizens.
h) Various media engagements were conducted. This included sessions on a variety of community radio stations and main stream radio. In addition, responses to media queries on certain consumer matters were done.	h) Media engagements	h) The media engagements formed part of the OCP's consumer education initiatives. This resulted in numerous engagements on mainstream and community radio stations. The topics of discussion were all consumer rights related and provided citizens with relevant information.

Current/actual arrangements	Desired arrangements	Actual achievements
Access:	Access:	Access:
a) Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town	a) Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town	a-c) The various points of access were all operationalised. The only exception was the Saldanha office where a vacancy exists. This position will be filled in the 2015/16 financial year.
b) The required access to services as envisaged was provided during the 2013/14 financial year. The only deviation occurred at the Saldanha Regional Office as the official passed away at the end of October 2013.	b) District offices: <ul style="list-style-type: none"> o Saldanha, West Coast Business Development Centre, Building 234, Tonym Street o Paarl, Paarl Thusong Centre, Van der Stel Street, Chicago, Paarl East o George, Thembaletu Thusong Centre, Sandkraal Road 	
c) Telephonic queries, received via the toll free call centre, were attended to.	c) 0800 007 081 (Toll free)	
Courtesy:	Courtesy:	Courtesy:
Through official channels i.e.:	Through official channels i.e.:	The citizen centric nature of the services delivered obligates the OCP to be customer orientated. As such, the issue of courtesy is paramount within all operational processes and have been displayed through the identified official channels, i.e.:
a) Management	a) Management	a) Management
b) Head: Communication	b) Head: Communication	b) Head: Communication
c) E-mail	c) E-mail	c) E-mail
d) Telephonic	d) Telephonic	d) Telephonic
e) Written correspondence	e) Written correspondence	e) Written correspondence
f) Face-to-face	f) Face-to-face	f) Face-to-face
g) Complaints register	g) Complaints register	g) Complaints register
h) 0800 007 081 (Toll free)	h) 0800 007 081 (Toll free)	h) 0800 007 081 (Toll free)
<i>Additional achievement:</i>		<i>Additional achievement:</i>
i) All case queries and other queries received via the MEC or HOD's office were addressed in writing.		i) All queries were tracked by the HOD's office via the internal correspondence tracking system and all matters were finalised.
Openness and transparency:	Openness and transparency:	Openness and transparency:
		The service delivery model of the OCP is specifically geared towards implementing a case resolution system which is open and transparent. As such, all identified initiatives have been complied with, i.e.:
a) Telephonic	a) Telephonic	a) Telephonic
b) Written correspondence	b) Written correspondence	b) Written correspondence
c) E-mail	c) E-mail	c) E-mail
d) One-on-one meetings	d) One-on-one meetings	d) One-on-one meetings
e) Roundtable consultations	e) Roundtable consultations	e) Roundtable consultations
f) Annual report	f) Annual report	f) Annual report
g) Site visits	g) Site visits	g) Site visits
h) 0800 007 081 (Toll free)	h) 0800 007 081 (Toll free)	h) 0800 007 081 (Toll free)

Current/actual arrangements	Desired arrangements	Actual achievements
Value for money:	Value for money:	Value for money:
a,b,c) A total of R4.1 million was recorded as a saving to consumers assisted by the OCP. This figure excludes the cost of legal fees should the consumer have approached an attorney for assistance.	a) Provide support and advice to all consumers within the Western Cape. b) Clients get useful and useable information at no cost. c) Clients obtain free assistance with the resolution of disputes.	a-c) The achievement was in excess of the target of R5 million. This is a notable achievement.
To provide for registration of tourist guides in the province as per the Tourism Second Amendment Act		
Consultation:	Consultation:	Consultation:
a) 1 workshop was conducted (29 May 2013)	a) Workshops	a) The following workshops/ engagements took place: <ul style="list-style-type: none"> i. Future Stars Event held in September 2014 targeting 20 tourism students from Zola High School; ii. 4 Registrars Workshops were held (one per quarter); iii. Engagement with the Association and Union in July 2014; iv. Adventure Tourism Self-Regulation Steering Committee.
b) Written correspondence	b) Written correspondence	b) Various bulk communications sent to tourist guides and industry role-players; such as: <ul style="list-style-type: none"> i. Tourist Guides Occupational Profile; ii. Quality Council for Trade and Occupation Nature and Culture modules for comment; and iii. Tourist Guide Survey for National Department of Tourism.
c) Telephonic	c) Telephonic	c) Telephonic
d) E-mails	d) E-mails	d) E-mails
e) Tourism Regulation Newsletter: 1 newsletter issued and 1 update issued	e) Tourism Regulation Newsletter	e) Newsletter distributed in April 2014
Access:	Access:	Access:
a) Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town	a) Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town	a) The Unit remains centrally situated at the Head Office: Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town

Current/actual arrangements	Desired arrangements	Actual achievements
Courtesy:	Courtesy:	Courtesy:
Through official channels, i.e.:	Through official channels, i.e.:	All identified mechanisms were utilised, i.e.:
a) Management	a) Management	a) Management
b) Head: Communication	b) Head: Communication	b) Head: Communication
c) E-mail	c) E-mail	c) E-mail
d) Telephonic	d) Telephonic	d) Telephonic
e) Written correspondence	e) Written correspondence	e) Written correspondence
f) Face-to-face	f) Face-to-face	f) Face-to-face
		<i>Additional achievements:</i>
		g) The Unit has set up a generic e-mail address: Tourist Guide Registration which is accessed and manned by three staff members.
		h) All queries received via the MEC or HOD's office were addressed in writing.
Openness and transparency:	Openness and transparency:	Openness and transparency:
a) Telephonic	a) Telephonic	a) Telephonic
b) Written correspondence	b) Written correspondence	b) Written correspondence
c) E-mail communication to all tourist guides	c) E-mail	c) E-mail
d) One-on-one meetings	d) One-on-one meetings	d) One-on-one meetings
e) Annual report – submitted	e) Annual report – submitted	e) Annual report – submitted
<i>Additional achievement:</i>		<i>Additional achievements:</i>
f) Roundtable consultations with CTGA and the Union		f) Campaign cards are available at reception so that clients are able to e-mail the Registrar directly.
		g) Public comment invited on the QCTO process and training modules.
		h) Communication with Cathsseta accredited training providers were strengthened and courtesy e-mails sent on behalf of guides where documentation from the training provider was outstanding.
Value for money:	Value for money:	Value for money:
a,b) The registration cost is determined by national legislation and remained at R240 for two years.	a) The cost of registration is R240, renewable every two years.	a) The cost of registration is R240 but the registration period has, through the Tourism Act (Act 3 of 2014) been extended to three years.
	b) The registration cost is determined by national legislation.	b) The registration cost is determined by national legislation.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
To act as a consumer protection agency within the Western Cape by virtue of the provisions of provincial and national legislation		
All of the identified interventions were implemented, i.e:		All identified interventions have been implemented successfully, i.e.:
a) Departmental website	a) Departmental website	a) Departmental website: the OCP is working towards a more refined website which is inter-active for consumers
b) Annual report	b) Annual report	b) Annual report
c) One-on-one meetings	c) One-on-one meetings	c) One-on-one meetings
d) Publications	d) Publications	d) Publications
e) Media reports	e) Media reports	e) Media reports
f) Information sessions	f) Information sessions	f) Information sessions
g) Site visits	g) Site visits	g) Site visits
h) Radio shows	h) Radio shows	h) Radio shows
To provide for registration of tourist guides in the province as per the Tourism Second Amendment Act		
		All identified mechanisms were utilised, i.e.:
a) Departmental website with link to Tourist Guide Register	a) Departmental website	a) Departmental website is consistently monitored and when problems occur, IT-support is informed.
b) Annual Report	b) Annual Report	b) Annual Report
c) One-on-one meetings with guides and representatives	c) One-on-one meetings	c) A number of one-on-one meetings were held with tourist guides to address various problems such as work permit issues
d) Tourist Guide Newsletter	d) Tourist Guide Newsletter	d) Tourist Guide Newsletter
e) 4 Information sessions were held	e) Information sessions	e) Information sessions
f) Brochure: Have You Asked Your Tourist Guide for Their Card and Badge? was reprinted and distributed	f) Brochure: Have You Asked Your Tourist Guide for Their Card and Badge?	f) 10 000 brochures: Have You Asked Your Tourist Guide for Their Card and Badge? were printed and distributed at inspections, walk-ins, at the walk in centre and on request. 10 000 campaign cards, with the Provincial Registrar's contact details, were printed and are available at reception.
		<i>Additional achievement:</i>
		g) E-mail updates were mailed to tourist guides through a database of all registered tourist guides in the province.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
To act as a consumer protection agency within the Western Cape by virtue of the provisions of provincial and national legislation		
All the identified mechanisms were implemented, i.e.:		The citizen centric nature of the OCP's services has resulted in all of the mechanisms identified being implemented, i.e.:
a) Direct contact, e-mail, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town	a) Direct contact, email, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town	a) Direct contact, e-mail, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town
b) Via the Head of Communications regarding complaints/suggestions and compliments	b) Via the Head of Communications regarding complaints/suggestions and compliments	b) Via the Head of Communications regarding complaints/suggestions and compliments
c) Complaints register	c) Complaints register	c) Complaints register
d) 0800 007 081 (Toll free)	d) 0800 007 081 (Toll free)	d) 0800 007 081 (Toll free)
To provide for registration of tourist guides in the province as per the Tourism Second Amendment Act		
Through official channels, i.e.:		
a) Direct contact, e-mail, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St Georges Mall, Cape Town.	a) Direct contact, email, telephonically with management or supervisors at Head Office at Ground floor, Waldorf Arcade, 80 St George's Mall, Cape Town.	a-b) During the year under review: <ul style="list-style-type: none"> i. A complaint was laid with the Provincial Registrar with regard to a specific tourist guide. Upon investigation the tourist guide was issued with a warning which was placed on his file for a stipulated period of time. ii. A tourist guide appealed the decision by the Provincial Registrar to decline their renewal on the basis of an incorrect work permit, to the National Registrar. The Unit is awaiting the results of the appeal.
b) Via the Head of Communications and via the Provincial Tourism Minister regarding complaints/suggestions and compliments.	b) Via the Head of Communications regarding complaints/suggestions and compliments.	
	c) Complaints register	c) Complaints register
	d) 0800 007 081 (Toll free)	d) 0800 007 081 (Toll free)
		<i>Additional achievement:</i> e) Following general complaints about guiding activities, outside of the legislation, joint inspections were undertaken with the Transport Board and traffic officials to inform and check on operating licences, vehicle licences as well as tourist guide registrations.

2.4 Organisational environment

The introduction of PSG1: Create opportunities for growth and jobs necessitated the Department to change its interventionist approach to a more leadership role in the economy. This shift in focus resulted in the Department undertaking an organisational design (OD) exercise that was aimed at not only assisting in placing the correct human resources where most needed, but also ensuring that there will be sufficient staff to undertake the Department's interventions. The process for completion of the OD exercise has recently been approved by the necessary authorities.

The Department, during this process, also experienced a number of pressures which have impacted on the delivery of the Department's mandate. As an interim remedial measure, various persons needed to act in higher positions as these became vacant.

Furthermore, the Department also experienced some challenges in gaining the correct skills in positions which were advertised such as the sourcing of economists within our Research component. Currently, this unit is capacitated with only one person. A means to remedy the staffing challenges of the Department has been to actively engage in a professional internship programme where post-graduate interns are sourced to gain practical experience in their fields of study and assist in the alleviation of the shortage of skills.

2.5 Key policy developments and legislative changes

The policy change that has significantly impacted on the small business support environment is that of the establishment of the National Department of Small Business Development. About 80% of the small business support activities and programmes that previously resided with the DTI, were transferred to the new department. As with the establishment of any new entity, there were teething problems that selectively impacted on the Programme.

Also, a significant development to affect the Department's regional and local economic development role was the introduction of provincial levers as part of the transversal management system, i.e. the Joint Planning Initiatives. The significant focus on the spatial aspect of development and growth put additional pressure on the Department's RLED Unit to sharpen its co-ordination and facilitation skills.

3. STRATEGIC OUTCOME ORIENTED GOALS

The Strategic Outcome Orientated Goals of the Department are aligned to the objectives as expressed in Provincial Strategic Goal 1: Creation of opportunities for business and citizens to grow the economy by 4.2 % and employment by 2 % by 2020.

The following was identified as the key areas that were critical to the achievement of the abovementioned goal:

- 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.
- Facilitate demand-led, private sector-driven government support for growth sectors, industries and business.
- Improve the competitiveness of the region through infrastructure-led economic growth.
- Provide an effective and efficient consumer protection service for citizens of the Western Cape.
- Develop and implement the economic strategic plan and policies in support of achieving opportunities for jobs and growth.
- Address the unemployment challenges faced by the Province through reducing the gap between the supply and demand of skills.

In support of the Departments' strategic outcome oriented goal, Programme 2's activities, projects and programmes were concentrated on the creation of an enabling environment for business (and hence increased growth and jobs) and the support for growth sectors, industries and business.

The sub-programme, Regional and Local Economic Development, was instrumental in contributing to the minimising of hurdles to business growth through its in-depth capacity building of municipalities to improve their capabilities regarding planning and driving strong regional and local economies. This was achieved primarily through its hands-on support to municipalities and its ground-breaking LED Maturity Assessments. The LED Maturity Index for 2014/15 stood at 80% - meaning that 80% of Western Cape municipalities significantly improved their capability to do LED. This clearly has impacted on municipalities abilities to improve their enabling environments for business.

The Red Tape Reduction sub-programme also played its part in improving the business regulatory environment through its work on national, provincial and local levels. Its exceptional success in resolving red tape-related cases, its work with the municipalities and its ongoing awareness campaigns of championing red tape reduction, played no small part in improving the Western Cape's business regulatory environment.

A critical component of an enabling environment is the existence of a business support eco-system. Improving the eco-system for the development and growth of SMMEs was spearheaded by the Enterprise Development sub-programme. Its work in access to finance and procurement promotion, the maintenance of a partner network of support agencies across the province certainly caught the attention of both potential and existing entrepreneurs. This was borne out by the GEM study that showed, compared to the two other larger provinces, Gauteng and KZN, entrepreneurs are far more aware of the Western Cape's department of Economic Development and Tourism.

Decent employment through inclusive economic growth

Support to enterprises has been identified as a fundamental driver of economic development in the Province. This is primarily due the potential of SMMEs to create employment as a result of growth when compared to larger enterprises. As noted by the National Treasury, 70% of all private employment is in firms with fewer than 50 employees. Furthermore the GEM report 2012 further notes that entrepreneurial activity drives economic growth and more importantly job creation.

It is with the aforementioned in mind that the Department placed a huge emphasis on enterprise development with an intention to increase awareness amongst the general population of the option of entrepreneurship and build potential role models to whom the youth can aspire.

Interventions within this field has proven successful with in excess of 1 200 business either expanding or being sustained over the financial year from interventions aimed at entrepreneurs such as the Provincial Growth fund, Enterprise Development fund, and investment readiness programmes. Through the assistance provided by these programs the Department also either saved or assisted to establish 3 429 jobs.

Furthermore, economic development within the regions has taken a major step forward. Through our interventions within the Local Economic Development arena, businesses are experiencing a more conducive business-facing environment and services from municipalities. Since the introduction of the Municipal Maturity Level Index (MLI), LED has improved significantly within 80% of municipalities. It should be noted that this improvement cannot only be attributed to the work of the Department, but should also be firmly placed at the doorstep of the participating municipalities who through tireless work and dedication have strived to increase their LED competency and ranking.

Reducing the cost of red tape

The cost of Red tape to the South African economy was estimated at R 79 billion during 2004. In more practical terms, South Africa was ranked 41st out of 185 countries in terms of the ease of doing business. This low ranking is unacceptable in a developing economy.

In this regard the department identified the need to raise awareness amongst government departments (both national and provincial), its entities and municipalities of the need to reduce red tape, improving platforms where business can engage with the Western Cape Government to raise regulatory constraints and implementation of a system to review legislation to ensure its burdens on business are reduced and new legislation introduced are not imposed unnecessarily.

During the year under review, the Department, through its tireless work attended to and resolved in excess of 1 800 cases as lodged through the Red Tape contact centre and other lodging mechanisms. Many of the cases resolved revolved around reducing application and consideration periods where processes of government were adapted to generate greater efficiencies in order to make it easier for business to transact with government.

Sector development

The sector development interventions of the Department consisted of a three pronged strategy to achieve the provincial Strategic Goal 1: creating opportunities for growth and jobs objectives. These are:

The stimulation, facilitation and increase of economic growth and opportunities through export and investment promotion and developing a strong economic regional brand.

Supporting and developing economic sectors as a key contributor towards maximising economic opportunities, sustainability and employment growth.

Growing and developing the provincial economy and facilitating economic opportunities through the development of strategically competitive and/or infrastructural initiatives.

An intense focus at all levels of government on the need for growth and jobs, has put the spotlight on sectoral programmes as a key mechanism of the country to achieve its economic potential. This is reflected in the New Growth Strategy, the Industrial Policy Action Plan (IPAP), and through PSG1's Project Khulisa.

The Department continued its focus on building strategic capabilities in its "propulsive" growth sectors of BPO, oil and gas, ICT and Call-centres, and on the "employment supporting" sectors of clothing and textiles, agro and food processing, and the creative and design sectors.

The performance in terms of targets met has been excellent, with 95% of the targets being achieved, and with exceptional over-performance across a number of its key performance targets. The programme achieved a 94% success rate on its output targets, and a 96% success rate on its outcome targets.

Wesgro came within the upper end of its target range, exceeding its lower estimate by 611 and exceeded its rand value of committed investment. Notable successes for the sector programs, was a record R6.7 billion of trade and investment projects through the GreenCape, oil and gas and BPO sectors, the facilitation of 13 494 employment opportunities, providing support to over 700 firms, and 5 strategic projects being delivered.

In addition, the investment of R33.893 million in its sector initiatives, led to the leveraging of a significant R49.473million into critical sectoral projects across all the Department's Sector Development Agencies.

Notable in contributing to the achievements above was the facilitation of R1.680 billion in new manufacturing and energy investments in the green economy sector, as well as the dynamic performance of the BPO sector, with BPeSA facilitating 4 259 new call centre seats. SAOGA created 7 450 employment opportunities, and attracted a record R5.027 billion in orders, with another exceptionally strong year of delivery, despite the collapse of the oil price. The lag-effect of this may however yet feed-through into the following year's results which will be expected to be considerably less.

To ensure that companies are ready to meet the demand, 736 firms were supported by interventions aimed at upgrading firm's capacities and ensuring competitive firms. This is particularly important in turning around firms within the manufacturing sector, and ensuring that they can compete in local and global value chains. Of these, surveys have determined that 93 of these firms have expanded output and/or increased employment.

All in all, it is clear that the work of the department in conjunction with the sector development agencies is changing the trajectories of many of the sectors in which we operate. This however is a synergistic effort between the SDAs, who deal with the day to day networking and delivery of projects amongst each sectors firms, the Department that deals with higher-level strategic issues and vertical and horizontal alignment across government, Wesgro that leads on trade and investment, and other units within the Department that provide theme-based inputs, such as skills, red-tape and SMME inputs.

A skilled and capable workforce to support an inclusive growth path

With nearly a quarter of the Western Cape's economically active population being classified as unemployed poses a significant risk to the economic viability of the Province. This statistic is ever more concerning as nearly 70% of this unemployed in our Province, is youth. While there are a number of factors which contribute to the tremendous challenge facing our Province, it can be noted that a large contributor to the unemployment cataclysm is that most young people are not prepared to enter and or participate in the working world. With this in mind, improving the skills base of the Province is of utmost importance in the strategy to grow the economy and create jobs.

In support of these objectives, the Province has embarked on the establishment of credible institutional mechanisms to drive the coordination, planning and delivery of skills development initiatives; develop plans to achieve these objectives; leverage funding and other stakeholder efforts; and improve the employability of young people, through the training and placement of youth to gain work place experience.

In support of the above, the establishment and maintenance of the Provincial Human Resource Development Council has been instrumental in charting a collective skills development agenda for the Province. The continued functioning of the Provincial Human Resource Development Council and its project based technical workgroups, aims to find the necessary synergy in planning skills interventions across a number of stakeholders and finding ways to resource and to work in a collaborative manner. To ensure that the various stakeholders deliver in a collaborative manner, the Provincial HRD Council in previous financial years mandated the various working groups to either develop strategic or operational plans. The drafting of these strategic skills development plans is important as it aligns stakeholder energies and resources towards a set of common goals and purpose.

Secondly, leveraging funds for skills development programmes from individuals, government, private sector corporates locally and/or internationally and complementing or extending partner efforts along the skills development pipeline, enable the various role players in the skills development space to extend its reach and quantum of beneficiaries.

Many youth, when they exit the formal education environment are considered by industry as not being "work ready". This is not a South African or Western Cape challenge only. However around the world, governments and businesses face a conundrum of high levels of youth unemployment and a shortage of job seekers with the necessary critical set of skills.

As a remedy for the above, the Department embarked on two notable Programmes namely the Artisan Development Programme (ADP) and the Work and Skills Programme.

The ADP's purpose is to increase the number of qualified Artisans in the Western Cape and enhance the quality of skills transfer in both TVET Colleges and the Private sector. The programme is based on the National Skill Development Strategy III and incorporates the linking of supply and demand for Artisanal skills within the Western Cape. This has been achieved by taking unemployed, trade-related learners who have completed at least their theoretical qualifications and then ensuring they completed the practical CBMT (Competency Based Modular Training) programme to enhance their productive practical skill sets before entering the workplace experiential phase.

Learners who successfully completed this CBMT phase are placed with appropriate host companies for a minimum period of 18 months to gain the necessary workplace experience to access the National Trade Test.

The Work and Skills Programme creates learning and work placement opportunities for unemployed youth in the Western Cape's economic sectors in order to improve the future employment prospects of participants, between the ages of 18-34 years. This 6 month placement opportunity is coupled with technical and soft skills training in the context of work experience. The Work and Skills Programme places mostly first time entrants and those needing to be integrated back into work, with host companies and offers an exit strategy to learners who successfully complete the programme. During the period under review more than 1 300 youth have been placed across 53 firms in the work and skills programme.

An efficient, competitive and responsive economic infrastructure network

The need to establish the viability of infrastructure-related projects and the construction intensive nature of most of the Department's projects mean that there is a longer gestation required for the realisation of Strategic Initiative Projects. Furthermore, due to the collaborative approach adopted by the Department, the role of partners frequently affects the nature and pace of the project rollout.

The progress achieved for each of these projects is as follows:

Broadband Stream II Initiative: Following the re-alignment of the Western Cape Broadband Initiative in 2013/14 into a 3 Stream approach, the project is currently managed by CEI and DEDAT, with DEDAT being responsible for Stream 2. The purpose of Stream 2 is to facilitate the broadband usage, skills and access by citizens and businesses in order to improve economic competitiveness. To this end, in 2014/15, the Department completed a PPP investigation as well as embarked upon a number of proof of concept projects.

The broadband PPP focused on 4 main areas, namely:

- a) Connected Households – which aimed to develop a business model to support last-mile household internet access in low income, low internet penetration communities.
- b) Connected Communities - which aimed to develop a standardised offering across the province for public ICT access, knowledge production centres.
- c) Connected Business – which aimed to develop a universal, affordable, quality broadband access to businesses in the Western Cape to support economic development, specifically the efficiency and competitiveness of businesses in specific localities and/or industries.
- d) Cost-effective Computing – which aimed to provide cost effective devices to learners in the Western Cape which would support the WCED's e-education vision, whilst fostering the provincial economic imperatives.

Upon the completion of the PPP Feasibility Study, it was decided that a PPP model was not the most appropriate implementation approach for the Broadband projects. However, the findings and recommendations would shape alternative implementation models that would be taken forward from the 2015/16 financial year.

Cape Town International Convention Centre Expansion: The expansion of CTICC will see a 10 000m² increase in the floor space of the Convention Centre, allowing for the organisation to attract larger conferences and cater for a greater mix of convention offerings. In 2014/15 Convenso successfully activated the implementation phase for the expansion. This included developing and finalising the design; securing the main contractor; and initiating the build on the 23rd of July 2015. Convenso has also managed to secure all approvals that are required at this point of the Master Programme's implementation plan. The project is on track and has sustained 167 construction jobs to date.

The Design Collective: The East City Design Initiative (ECDI), or Design Collective, is a set of interventions that focuses on supporting design, using hard and soft infrastructure, as a major catalyst to improve the competitiveness of the economy.

In this year, DEDAT and CCDI have successfully launched the Design Institute that, on the one hand, provides design entrepreneurs with a business development programme; but also provides traditional business entrepreneurs and Government officials with access to designers and design thinking that they can apply to their own environments towards improved competitive advantage or service delivery. CCDI has partnered with numerous organisations to achieve this goal, including TIA; other Sector Development Agencies; Design Indaba and the City of Cape Town. These programmes have significantly supported WDC2014 projects and initiatives and will continue to do so beyond 2014.

In the financial year under review, the Department supported the development and launch of Phase 1 of the Design Hub, as recommended by the pre-feasibility study. This Hub, incubated by CCDI, and situated at 37 Barrack and 75 Harrington Streets, will host design and innovation events and business training programmes, and provides for short-, medium- and long term office space rentals with shared facilities like meeting facilities. The intention of the office facilities being self-sustaining is being realised. The Design hub has expanded on the MIT initiated Fablab's space by expanding its technology and equipment so that designers are able to transform their concepts into samples.

Cape Health Technology Park: Moving from the phase 1 feasibility study, Wesgro has been mandated to incubate and project manage the Cape Health Technology Park in its next phase of development. To this end DEDAT has established, hosted and co-chaired the re-constituted Steering Committee and, together with DST, provided the joint funding for the project. Flowing from this arrangement, Wesgro initiated the recruitment of the CHTP project team that will drive the cluster and infrastructure development.

Air Access: The Air Access initiative received a boost in 2014/15 as there was renewed appreciation and additional support from the City of Cape Town during the course of 2014/15 regarding the importance of improving Airlift for regional competitiveness.

As a result, the DEDAT Air Access project scope, which had focused exclusively on certain African routes, was endorsed and expanded to incorporate a global airlift strategy with ACSA, Wesgro and the City of Cape Town. To this end DEDAT established; co-chaired and hosted the Steering Committee; developed research on global air movement with a focus on the USA; and developed a project plan for the implementation of this project. DEDAT has provided funding support to Wesgro who will in the new financial year, establish a dedicated project team.

Saldanha Bay IDZ: After securing the infrastructure funding from the SEZ fund at the end of the 2013/14 financial year, the Saldanha Bay IDZ Licencing Company (SBIDZ LiCo) kicked off the infrastructure roll-out by procuring the detailed design work on internal and external bulk infrastructure. Engineering design services were secured for 5 projects, including the internal road, water, electricity and sewerage networks. The first large construction tender, to the value of R140 million was awarded and includes a 27% share of work allocated to a Saldanha based, black owned construction company. The second funding transfer from the SEZ fund, of R103 million, was also concluded.

DEDAT has been very involved in the development and finalisation of the corporate structures and corporate governance implementation. The SBIDZ LiCo started the financial year by operating completely separately from Wesgro, including its own audit and risk committee, HR, financial and ICT systems and leasing its own office space. The staff complement has grown to 75% of the full organisational structure, with the appointment of two new executives, a supply chain manager and the required administrative support. According to the partnership agreement between the three spheres of government, the Board of Directors has been duly expanded to accommodate National, Provincial and Local Government.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: ADMINISTRATION

Purpose

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

Programme structure

The Programme is structured as follows:

- Sub-programme 1.1: Office of the Head of Department
- Sub-programme 1.2: Financial Management
- Sub-programme 1.3: Corporate Services

Service delivery objectives and indicators

For Provincial Strategic Goal 1: Create opportunities for growth and jobs (PSG1) to burgeon into a living strategy which delivers the intended promise of economic growth with jobs, Financial Management needs to adapt and become a living and breathing strategic partner of service delivery units while still upholding the highest standards of governance.

Over the past year, the Financial Management Unit interrogated various means and strategies to enhance its support service so as to safeguard the Department's ability to fulfil its role as the lead Department for PSG1 without sacrificing its intended objective of migrating to a level 4 capability organisation as defined in the Financial Capability Model. This interrogation of processes resulted in various policies, and delegations being updated for the coming financial year. This re-engineering and management of policies and processes will ensure greater efficiency and economical use of resources in the delivery of services to all who call this Province home. In pursuing its migration objective, the Unit – as in previous years – consults intensely with service delivery units in all reviews of final management policies and processes to ensure that redundant systems and procedures are eliminated and it keeps a constant, watchful eye to prevent bureaucratic inertia.

It is widely understood that this migration is no mean feat and will take time and vigorous strategic implementation capabilities to achieve. In doing so, the Programme identified three main strategies on which to focus. These are:

- a) Promoting excellent client services;
- b) Ensuring a legislative and policy framework in which efficient and effective processes may be implemented; and
- c) Ensuring the Department is suitably capacitated to meet its financial and governance standards.

Promoting excellent client services

During the 2014/15 financial year, the Financial Management Unit, as the secretariat to the departmental Governance Committee, initiated the expansion of its mandate with the intent of maturing the committee to its true identity. Through the annual review process of the committee's terms of reference, the Unit administered the incorporation of all nine principles of the King III report as standing agenda items. Parallel to this initiative, the Department's DITCom Strategic committee, which is directed by one of the King III principles (the governance of information technology), was subsumed into the Governance Committee. The efficiency gains were two-fold: the move signified a decrease in the plethora of committees that the management team is required to attend and increased the strategic direction and credibility of information technology governance matters to their rightful place.

In recognising the delicate balance needed between fast results required by the economy and tight control over public finances, the Unit embarked on a process with KPMG to review all Supply Chain Management processes to identify areas where improvements to constrictive procurement practices could be made, without diminishing our legislative requirements.

The Department also maintained an average of 17.74 days to pay service providers. This faster-than-the-norm payment processing rate is significant in that one of the Department's mandates is to assist business. A key factor in the success or failure of any business is the timely payment for services to ensure a satisfactory cash flow. This achievement is also more noteworthy as a large percentage of service providers to the Department are SMMEs.

The effective payment process also resulted in the Department achieving an expenditure percentage of 99.71%. While spending is not the main objective, it assisted in the Department ultimately achieving 87.04% of its stated output targets for the year. In order to achieve this, the Financial Management team together with the top management of the Department played a critical role in driving all units to achieve their spend targets. Units received regular reminders regarding the spend status and progress in terms of critical paths and forecast cash flows.

The Unit's approach to client service was also demonstrated when the Annual Performance Plan (APP) for the 2015/16 financial year had to be completed. The Financial Management Unit worked tirelessly during December 2014 and January 2015 to complete the APP. The APP could only be drafted during the period because it was dependent on the finalisation of the Economic Development Strategy for the Province. In an effort to ensure correctness of the document the unit also piloted the use of the SharePoint – a web application platform – within the Department. Thanks to the practical solutions employed to finalise the APP, all Programme Managers commended the Unit for the accuracy of the final document, the speed at which inputs could be reviewed and commented on as well as the quality of inputs provided.

In its role as the Department's forensic liaison, the Unit was instrumental in extending fraud prevention training and awareness programmes to the Western Cape Liquor Authority. The intent of this partner training was to engender better relations with the entity and also to augment the Department's position in terms of anti-corruption activities.

Improving the legislative and policy framework

In addition and pursuant to underpinning the corporate governance principle of ethical leadership and corporate citizenship, Financial Management initiated a selection process for beneficiaries of transfers. Unlike the high risk and, therefore, vigorously controlled Supply Chain Management arena, the Transfer Payment delivery method has not been so heavily regulated. Consequently, the potential for abuse of the process existed. To mitigate this potential risk and to instil public confidence the unit developed a selection process for beneficiaries of transfers. This was done to ensure that the beneficiaries' mandates are aligned to those of the Department, that they were deserving of state funds and that the process was fair and free of conflict. A further benefit was that it maximised the value for money pillar as this process ensured the most appropriate delivery agent was selected who could provide the necessary bang for our buck.

Further to ensuring a legislative and policy framework in which efficient and effective processes may be implemented, the Department, with the aid of Legal Services, reviewed the applicability of contractual agreements between the Department and its implementing agents. The amendments to the agreements ensured that all entities were held appropriately responsible for funds received and that remedial steps could be easily instituted, if required.

Capacity building

Improving the abilities and competencies of staff remained at the forefront of all interventions implemented during the year under review. The main intent of this strategy is to ensure that bureaucratic administrators are replaced by innovators and that parochial attitudes are discouraged.

A three pronged approach was used in the Units capacity building strategy, namely a focus on the self, a focus on the working environment and a focus on the broader community which the Department serves.

In this regard the Unit took the professionalisation of its staff seriously by encouraging them to join professional bodies such as the Institute for Risk Management in South Africa (IRMSA) and the Institute of Internal Auditors (IIA). By becoming members of these bodies, the Department is constantly updated on new developments in the fields of financial governance, accounting standards and other best practice models. It is believed this will assist in driving the Department to become the leading financial management and governance driven department within the country.

In implementing the third prong of the strategy which involves making staff aware of their social responsibility to the public they serve, the Department once again donated obsolete assets to worthy NGOs and entities that play a pivotal role in assisting their communities with skills development and social upliftment programmes. The following organisations accepted the assets:

- Furntech in Nyanga, which provides start-up and emerging SMMEs with support through training and business advice.
- Whizz ICT Centre in Khayelitsha focuses on youth development and provides easy access to ICT facilities.
- Uitzig Secondary School which assists impoverished youth in the area.
- F.R.E.E Foundation (Furthering Rights To Equal Education Foundation) an NGO in Athlone that develops literacy and numeracy skills of learners.
- Upper Room Family Worship Centre provides the youth and communities of Hanover Park and Philippi with computer literacy training and skills programmes.

Corporate services

The Corporate Services Unit consists of the Client Relations Unit and Communication Service.

The Communication Unit provides strategic and operational communication support to departmental programmes in their efforts to meet the strategic objectives of the Department. The Unit's performance is underpinned by the needs of the various programmes within the Department.

During the financial year, the Communication Unit supported and worked with the programmes to execute various communication initiatives. These ranged from integrated, multi-channel campaigns such as those for Red Tape Reduction and the Premier's Entrepreneurship Recognition Awards to basic ones such as procurement and legislative notices. The communication budgets of the programmes were centralised and placed under the control of the Communication Unit to ensure seamless access to services and timeous implementation of campaigns.

The Unit worked closely with the Corporate Communication Directorate within the Department of the Premier to ensure a uniform, consistent and coordinated approach with regard to the implementation of communication campaigns.

As a result of the high number of communication projects and the Department's efforts to produce communication material in all three official languages of the province, there was an increase in the number of translations which the Unit completed.

The Communication Unit also assists the programmes in the staging of events and conferences that highlight the achievements and work of the Department and facilitate discussion on major economic themes. The 2014/15 financial year saw a number of key projects taking off where media events or special launches were organised, such as the launch of Public WiFi hotspots in various parts of the province, the Premier's Entrepreneurship Recognition Awards and the Red Tape Reduction Challenge and Conference.

As access to the internet is becoming more pervasive, especially through mobile devices, the Department has identified a need to update its website more regularly. The web updates conducted during the financial year focused on informing web users of the various services and programmes run by the Department and the publication of research documents.

There is also a major thrust within the Western Cape Government to improve social media and online interaction with stakeholders, which is led by Department of the Premier's E-government for Citizens Unit. The Department has worked closely with this unit to strengthen its web presence and improve the user's experience. A lot of work remains to be done and will continue in the 2015/16 financial year.

Outcome indicator		Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Financial Management					
1.1	Financial Capability Model Rating	3+	3+	3+	
Sub-programme: Corporate Services					
1.2	Awareness rating by beneficiaries of the Department (No. of positive feedback received / survey size)	70%	70%	70%	

Performance indicators and targets

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Financial Management					
1.1	Unqualified Audit Report	Unqualified Audit Report with no other matters	Unqualified Audit Report	Unqualified Audit Report	
1.2	Average number of days for the processing of payments to creditors	Payment to creditors within 16 days	Payment to creditors within 30 days	Payment to creditors within 30 days	
1.3	Unqualified Audit Report: Part Three – Financial Statements	Presenting financial statement with no misstate- ments	Presenting financial statements with no ma- terial misstate- ments	Presenting financial statement with no ma- terial misstate- ments	
1.4	Number of internal control reports developed	12	8	10	The Department undertook a process to alleviate all financial risks during the year under review. As such the scope of Internal Control was expanded to investigate added areas of concern.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Financial Management					
1.5	Cumulative expenditure as a percentage of the budget (Actual expenditure / Adjusted budget)	98.51%	98%	99.71%	This was primarily achieved through the Financial Management team together with the top management of the Department playing a critical role in driving all units to achieve their spend targets through regular reminders regarding the spend status and progress in terms of their critical paths and forecast cash flows.
1.6	Percentage of departmental Predetermined Objectives achieved (Total no. of indicators met / total no. of indicators in APP)	83.22%	80%	83.13%	The monitoring of non-financial performance is prioritised by the Financial Management Unit and as such, great emphasis and effort are put into ensuring performance indicators are achieved.
1.7	Percentage compliance to the implementation framework (Average score per staff member against NT competencies / Total score per framework)	70%	70%	70%	
1.8	Number of financial efficiency interventions implemented	5	4	9	To improve efficiencies within Financial Management to become more service orientated, additional efficiency interventions were implemented throughout the year. These included amendments to the policy framework, delegations, funding proposals etc.
1.9	Number of financial manual training sessions conducted	20	12	20	In addition to the normal financial manual training sessions, there were tailor-made induction sessions held for new senior management and middle management staff members and training on various operational requirements.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Corporate Services					
2.1	Number of Departmental events coordinated and / or supported	28	20	29	There was a high number of media/public events where projects were officially launched. The number of events supported is an estimate and dependent on requests from directorates and Ministry.
2.2	Number of Annual Report copies produced in English	300	300	300	
2.3	Number of official documents translated	53	20	29	Increased focus to produce communication material in all 3 official languages of the WCG to reach as many citizens. There was also a high number of newspaper notices for legislative and procurement processes which required translation in both Afrikaans and isiXhosa. These translations are difficult to estimate as the request for translations are dependent on the needs of internal directorates.
2.4	Number of departmental newsletters	3	4	4	
2.5	Maintenance and update of the Cape Gateway Website	27	12	17	The Department increased its use of the website to update the public/stakeholders on departmental projects so as to ensure larger public participation in departmental activities and to promote a more informed citizenry.

Linking performance with budgets

During the 2014/15 financial year, an amount of R35.556 million was appropriated to the Programme. Of this, Compensation of Employees accounted for R18.853 million, Goods and Services R13.878 million, Transfers and Subsidies R42 000 and payments for Capital Assets R2.763 million.

It should, however, be noted that this Programme primarily services the remainder of the Department. In this regard, Compensation of Employees accounted for 53.02% of the Programme's expenditure.

Goods and Services accounted for 39.06% of the total final expenditure of the Programme. The goods and services allocation was provided primarily to resource the corporate communications functions, which was centralised within the Programme. The goods and services allocation of R13.877 million was consumed to resource communication strategies and campaigns to promote a sustainable, growing, labour-absorbing and competitive economy.

These campaigns and strategies were aimed at continued dialogue between the Department and its stakeholders, effective internal and external communication services and the provision of a coherent, coordinated and consistent management in terms of communication in the Department. In addition to corporate communication functions, audit costs were also funded by the programmatic expenditure.

Payments for Capital Assets amount to R2.755 million, of which R1.151 million was allocated for the purchase of four new vehicles which will be utilised across the Department.

Sub-programme expenditure

Sub-programme Name	2014/15			2013/14		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the HoD	2 230	2 221	9	2 405	2 405	-
Financial Management	24 717	24 714	3	23 288	22 137	1 151
Corporate Services	8 609	8 594	15	7 556	7 556	-
Total	35 556	35 529	27	33 249	32 098	1 151

4.2 PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

Purpose

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

Programme structure

The Programme is structured as follows:

- Sub-programme 2.1: Enterprise Development
- Sub-programme 2.2: Regional & Local Economic Development
- Sub-programme 2.3: Economic Empowerment
- Sub-programme 2.4: Red Tape Reduction

Service delivery objectives and indicators

The common thread that runs through all four of the sub-programmes is that each contribute to the creation and maintenance of an enabling environment required for growth and jobs. This is done primarily through the improvement of conditions conducive to small, medium and micro enterprise (SMME) and entrepreneurship development and growth, and serious consideration and support of innovative business ideas and solutions.

On a local and regional level this contribution to an enabling environment was done through the capacity building and support of municipalities. It is a fact that well-capacitated municipalities (in terms of local economic development planning and implementation) are a critical component of an environment conducive to attracting and retaining business. Red Tape Reduction (RTR) also played a key role in supporting local authorities by assisting in the improvement of selected business-facing services (e.g. building plan approvals and procurement promotion). RTR's other programmes, such as the Business Support Helpline, went a long way towards entrenching the Western Cape as a province that is serious about improving the business regulatory environment and the removal of blockages caused by red tape (both regulatory and systems generated).

A critical component of an enabling environment is the existence of a business support eco-system. Improving the eco-system for the development and growth of SMMEs was spearheaded by the Enterprise Development sub-programme. Its work in access to finance, procurement promotion, and the maintenance of a partner network of support agencies across the province caught the attention of both potential and existing entrepreneurs. This relentless championing of small business has contributed significantly to the Western Cape being perceived by innovative entrepreneurs as the place to be in terms of setting up and running a business.

Our interventions in the regulatory environment were led by the Red Tape Reduction Unit. This Unit achieved great success in not only resolving individual, ad hoc enquiries, but also partnered with municipalities to run a very successful municipal support programme. This programme has slowly started to chip away the wall of red tape entrepreneurs face in local areas.

Outcome indicator	Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance	
		Target 2014/15	Actual 2014/15		
Sub-programme: Enterprise Development					
1.1	Total early stage entrepreneurial activity rate (TEA) (Nascent entrepreneurs + start-up firms) surveyed / total population surveyed)	10.6%	9%	Not measured	The decline in South Africa's TEA rate, to a low of 7.0%, and the skip logic within the survey document, meant that only a small number of respondents answered the full questionnaire. The small number of respondents meant that devolving the results to a provincial level is not possible. The number of respondents in the Western Cape identified as being part of the TEA and EBA pool is too small to be able to use with any statistical certainty. The GEM report authors were concerned that the margin of error could be high and the results would therefore be questionable.
1.2	Increased established business activity rate (EBA) Total number of owner managers surveyed / total population surveyed. The EBA rate is calculated by dividing the number of business owner managers (for businesses owned / managed for more than 42 months) by the total number of individuals surveyed.	-	4%	Not measured	The decline in South Africa's TEA rate, to a low of 7.0%, and the skip logic within the survey document, meant that only a small number of respondents answered the full questionnaire. The small number of respondents meant that devolving the results to a provincial level is not possible. The number of respondents in the Western Cape identified as being part of the TEA and EBA pool is too small to be able to use with any statistical certainty. The GEM report authors were concerned that the margin of error could be high and the results would therefore be questionable.

Outcome indicator		Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Enterprise Development					
1.3	Number of new businesses established	612	700	706	The high number of new businesses established was exceeded due to Seda's awareness drive across the province.
1.4	Number of businesses expanded	201	300	339	The intensive support offered to existing SMMEs through the Partner Network saw the target exceeded.
1.5	Number of businesses sustained	403	600	601	The Business Place and the West Coast Business Development Centre supported a significant number of existing businesses, which saw the target exceeded.
Sub-programme: Regional & Local Economic Development					
2.1	To improve the Municipal LED Maturity Level Index (MLI), by increasing its aggregate baseline score annually	-	Aggregate baseline score established	Aggregate baseline score established	
2.2	Number of growth and development indices that have improved (like Municipal proficiency measured through the MLI index, entrepreneurial activity (GEM), sectoral activity, and ease of doing business)	-	1	1	
Sub-programme: Economic Empowerment					
3.1	Number of businesses expanded	-	120	126	Businesses assisted through the initiatives implemented by the sub-programme performed better than expected, i.e. their performance in terms of job creation and turnover exceeded initial expectations.
3.2	Number of businesses sustained	-	160	154	Businesses assisted through the initiatives implemented by the sub-programme performed better than expected, i.e. their performance in terms of job creation and turnover exceeded initial expectations which resulted in these businesses being recognised as expanded.

Outcome indicator		Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Red Tape Reduction					
4.1	Number of departments and / or municipalities that are aware of RIA and the need for its institutionalisation	-	30	30	
4.2	Number of departments and / or municipalities implementing measures that improve the local regulatory environment	-	12	12	
4.3	Percentage resolution rate of queries and cases logged (Number of cases finalised divided by the number of cases received)	90.2%	85% (baseline: 1000)	96.5%	Some of the factors that determine the resolution rate are beyond the control of the unit, such as the complexity of the case concerned and the response rate of the departments, municipalities and regulators involved. The latter improved consistently in the year under review.

Enterprise Development

Small, medium and micro enterprises (SMMEs) represent an important vehicle to address the challenges of job creation, economic growth and inequality in our society. Globally SMMEs are seen as a key driver of economic growth, absorbing labour, penetrating new markets and a source of innovation and new ideas. The complexity, challenges and dynamism of SMMEs have often been misunderstood by government which has made various attempts to deal with these complexities and challenges faced by SMMEs. Given this, there is therefore a greater need for collaboration and partnerships between various stakeholders to address the challenges and identify the opportunities confronting SMMEs which will contribute towards transforming the economy. This involves supporting SMMEs to grow their businesses, encouraging the establishment of new businesses, building value chain linkages that support dynamic, competitive enterprises and bringing marginalised groups into the mainstream economy.

The strategic thrust of the Enterprise Development (ED) Unit for the period under review focused on (i) increasing the Total Early-stage Entrepreneurial Activity (TEA) rate (ii) increasing the rate of entrepreneurial intent and (iii) increasing access to financial and non-financial government support to SMMEs. To this end, the sub-programme's interventions were aimed at supporting SMMEs through promoting access to public sector procurement opportunities, access to business support services, access to finance and creating a culture of entrepreneurship.

Increase the Total Early-stage Entrepreneurial Activity rate and the Established Business Activity rate in the Western Cape

The most competitive nations are those that have the highest level of entrepreneurial activity. Establishing new enterprises and increasing the level of entrepreneurship, amongst others, are seen as pivotal to reverse the unemployment challenge.

The Global Entrepreneurship Monitor (GEM) 2014 South Africa report measured the TEA rate, which measures the percentage of the adult population (18-64 years) that are in the process of starting (nascent entrepreneurs) or who have just started a business (new entrepreneurs). The level of established businesses is important in any country as they contribute more to the economy in the form of providing employment and introducing new

products and processes. The number of respondents in the Western Cape GEM study identified as being part of the TEA and EBA pool was too small to use with any statistical certainty. The authors of the GEM report were concerned that the margin of error could be high and the results for the Western Cape would therefore be questionable. Although South Africa's overall TEA rate is low, an encouraging finding is that in 2014 almost three-quarters of TEA (for both genders) is opportunity-driven, according to the GEM report.

Of concern is that the business discontinuance rate of South African businesses remains greater than the established business rate. According to GEM 2014, sixty-two percent of businesses in 2014 closed for financial reasons (either because they were not profitable, or because they encountered problems in accessing financing to sustain the business). The lack of profitability as a reason for business exit shows a disconcerting upward trend.

The survey relating to "awareness of government initiatives" produced the following results:

Government Agency	Western Cape	KZN	Gauteng
	Heard of	Heard of	Heard of
National Youth Development Agency	33.7%	53.5%	65.9%
Small Enterprise Finance Agency	11.3%	21.7%	4.0%
Small Enterprise Development Agency	54.8%	26.6%	48.5%
Industrial Development Corporation	12.5%	31.7%	14.3%
National Empowerment Fund	4.6%	10%	20.4%
Department of Economic Development and Tourism	11.1%	0%	0%

What is of interest is that in the three major provinces surveyed, only entrepreneurs in the Western Cape were aware of the presence of a provincial government department that provided SMME support.

Increase the rate of entrepreneurial intent

The initiatives implemented by the ED Unit were aimed at engendering an entrepreneurial culture through celebrating entrepreneurial achievements and creating awareness of business development support. The Unit's efforts were fundamentally a drive to add more value to the individual, organisational and social contexts and the development of an entrepreneurial culture. The annual Premier's Entrepreneurship Recognition Awards (PERA) is the flagship project to develop that entrepreneurial culture. The award ceremony is designed to recognise, support and encourage a culture of entrepreneurship in the Western Cape. The Western Cape is known as an attractive destination and centre of innovation, business start-ups and economic opportunity. The awards provided a platform which acknowledged the initiative, passion, innovation and commitment of entrepreneurs (within various categories) to drive their ideas and businesses. The Department partnered with various corporates such as ABSA, Entrepreneurs' Organization and Invent Africa which contributed to the success of the initiative. Growing the entrepreneurial culture and showcasing local role models contributed towards increased entrepreneurial activity which is a critical driver of job creation and economic growth.

In addition to the recognition awards, the media exposure afforded to the businesses involved has greatly benefitted past winners and finalists. Due to the exposure from the PERA, Genadendal Handweavers featured in an article in Vogue Magazine (New York). This is one example where involvement in the PERA has allowed a participant to expand their market reach and turnover, both locally and internationally.

The 2014 Winner, Ms Jeanne Groenewald of Elgin Free Range Chickens recently returned from her grand prize, an overseas business trip. Ms Groenewald is already inundated with queries from various overseas markets. Engagements with various European role-players have also given Ms Groenewald the opportunity to experience her industry from an international perspective, which she has indicated, will benefit her business both in the near and long term. With the potential to supply to export markets comes the need to employ more staff. This prospect not only excites Ms Groenewald, but the Western Cape Government as well.



Winners of the 2014 Premier's Entrepreneurship Recognition Awards

South Africa has a 'youth bulge', with approximately 75% of all unemployment amongst the youth. Equipping the youth through developing a culture of entrepreneurship is critical to driving innovation (in the form of new products and services) and increasing entrepreneurial intent. The interventions included the Youth Conference, Business Plan Competition and business idea competitions, done in partnership with all four major tertiary institutions (UCT, US, UWC and CPUT). The Youth Conference and Business Plan Competition were aimed at creating entrepreneurial awareness amongst tertiary students.

The business idea pitching sessions provided assistance to aspiring entrepreneurs through new business idea workshops across the Cape Metropole and the Cape Winelands regions. The business idea pitching sessions culminated in the Department providing seed funding to 20 entrepreneurs to further develop ideas and to accelerate the development of their businesses. Exciting and innovative ideas included a Chlorine Tablet Applicator, used for killing maggots in dirt bins; the HeaterBox, designed to reheat or keep food warm by harnessing solar energy; Portable Green Power, a solar powered device that stores and provides sufficient energy to power the average household in informal settlement and a Blood Clotting Spray, packaged as a travel sized coagulant to stop bleeding of minor cuts.

From one to forty campuses ... in two years

Two years ago the Department partnered with a local serial entrepreneur, Charles Maisel, to run one of the first student pitching programmes which was hosted by UCT. Our investment was just over R120 000. To date this project has gone from 1 to 40 campuses with 10 000 members 95% of whom are black students between the ages of 18 and 28. Corporate investors, including SAB, Bank of America and ADVTECH, have clamoured to become part of the programme and have invested about R5 million. Charles Maisel adds, "Two years later what was started with your department has become a huge national programme and great success!" The methodology used then of idea generation through identifying opportunities in newspaper articles is still used and has now been expanded to community projects on a national scale.

As part of its entrepreneurship awareness drive the unit facilitated the Incentive Roadshow across the province. This was complimented by the Regional Entrepreneurship Week held in the Overberg and Eden regions. The Regional Entrepreneurship Week entailed a capacity building programme for entrepreneurs. The departments and agencies involved in the Incentive Roadshow included, the Department of Trade and Industry and agencies such as the Industrial Development Corporation, South African Revenue Services, Seda, sefa, Technology Innovation Agency, National Empowerment Fund and the National Youth Development Agency. The roadshow visited all major towns in the five district municipalities and the City of Cape Town. The event showcased the Department's ability to coordinate efforts between national, provincial and local government. The roadshow initiative brought together all important role-players within one locality which enabled businesses to access all relevant government support services. In addition, the initiative raised awareness amongst businesses with regard to development support services offered by government and its agencies.

Increase access to financial and non-financial government support for SMMEs

The role of government is to provide an enabling environment that is conducive to starting a business and sustaining and growing existing businesses. The provision of financial and non-financial support is critical to creating an enabling environment. The lack of finance readiness coupled with the lack of awareness (information) has been identified as key constraints faced by SMMEs in accessing funding. In addressing these constraints, the Department conceptualised and implemented interventions aimed at disseminating information relating to financial institutions and their service offerings, equipping SMMEs with the necessary skills to improve their chances to access funding and providing innovative funding solutions in the form of grant and low cost loan funding to SMMEs.

The Department partnered with the UCT Graduate School of Businesses to empower high growth small enterprises with the necessary skills and expertise required to access alternative sources of funding via angel investors and venture capitalists. The programme included face-to-face engagement with angel investors and venture capitalists – an avenue which was not accessible to them. A post intervention survey was conducted which demonstrated that a third of the businesses assisted expanded their operations.

The Western Cape DEDAT/NEF Enterprise Development Fund Initiative comprised of a grant fund and loan fund facility. During the period under review the Department invested R6 million into this initiative. This funding was matched with an amount of R9 million from the NEF, which in total, availed an amount of R15 million for exclusive use by Western Cape-based SMMEs. The effort put in by both the Department and the NEF has ensured that the loan fund has for the past three years maintained its 100% repayment rate, which will ensure the sustainability of the fund.

In addition to the loan fund, the Department assisted 48 black emerging SMMEs through the successful Enterprise Development Grant Fund. A survey on businesses assisted through this initiative prior to the 2014/15 period indicated a marked increase in job creation. Of the 39 businesses surveyed, over 200 jobs were created at an average cost of less than R8 500 per job.

Men's wear brand expanding with help of Enterprise Development Grant Fund

Strato Couture is a proudly South African men's wear brand which was started by Maloti Mothobi in 2006. The Fund assisted her in acquiring equipment to improve and strengthen the in-house manufacturing infrastructure. The business has since flourished and has moved from the Cape Town Station and is now located at the Red Shed Craft Warehouse Shopping Mall at the Victoria & Alfred Waterfront. Plans are in place to expand operations to Johannesburg. In addition to the move, Strato has managed to increase employment from three to six employees and expanded their manufacturing operations to Observatory. The business has been featured on many media platforms over recent years, including radio interviews and television appearances on eTV's Style Report and SABC2's Hectic Nine-9 youth show.



Strato Couture's manufacturing operations in Observatory

In support of innovation, the Department joined forces with the Technology Innovation Agency (TIA) to establish the Design Innovation Seed Fund. This partnership leveraged R5 million from TIA and during its pilot phase, assisted 12 innovative entrepreneurs. The range of services and products offered by the beneficiaries of the fund included a bone conduction headsets which makes it possible for swimmers and extreme water sport athletes to communicate in real-time; a bag-packing machine which automatically folds bags and packs it into crate boxes; a solar powered pool cleaner which consists of a pod, water pump and filtration system and a rewards-based mathematics and physical science mobile game aimed at high school students in grades 10 to 12.

The inaugural Western Cape Funding Fair was designed to initiate and facilitate face-to-face contact between project promoters and various funding institutions within the province. The Funding Fair was attended by more than 1 200 project promoters, funders, exhibitors, speakers, businesses and potential entrepreneurs. The hosting of the event was a collaboration between the Department and Deloitte. The initiative focused on capacitating businesses to package their product offerings to ensure they are able to access financial opportunities from funding institutions. The Funding Fair also served as a meeting ground; bringing together all components that make up, drive and strengthen the intricate entrepreneurial ecosystem of the Western Cape. The feedback received from the media, the exhibitors and especially the entrepreneurs were very positive.

Inaugural Western Cape Funding Fair



Entrepreneur Alan Knott-Craig Jr addressing the audience of close to 600 attendees

"Thank you so much for the opportunity. It was a good experience to prepare and pitch."

- Vincent Booysen, Cash Tiles & Sanitaryware (Pty) Ltd

"Thank you for the wonderful opportunity offered to us. We had some very positive feedback and it was also a learning curve for us. We look forward to whatever comes out of it."

- Richard Whitehead, Cape Aqua Minerale

"I who would like to express my appreciation to yourselves for organising today's Fair. You certainly succeeded in conducting a much needed event which can only result in furthering the economic progress of this province, improving people's lifestyles, enhancing employment opportunities and most importantly promoting public private endeavors."

- Eric Polonsky, Epic Export

Various reports have highlighted the importance of business development support organisations to assist SMMEs to grow and develop. The Department has continued to support the Partner Network programme in partnership with The Business Place (Phillipi and Khayelitsha), the West Coast Business Development Centre (Saldanha, Vredendal and Piketberg) and Seda. The West Coast Business Development Centre is ideally positioned to offer business support to the SMME sector in relation to the expected opportunities that will arise from the Saldanha Industrial Development Zone. The Partner Network programme provides SMMEs with 19 access points across the province where they are able to receive support and advice. This is the widest network of business support in the country currently. In its effort to increase the footprint of Development Finance Institutions in the Western Cape, the ED Unit facilitated the implementation of a co-location agreement between Seda and the Small Enterprise Finance Agency (SOC) Ltd. This culminated in the establishment of a Sefa office in George and discussions are well advanced in opening an office in Saldanha. This will allow SMMEs to access both financial and non-financial support in one location.

Cooperatives as an alternative business entity are being stimulated with a focus on the development of secondary cooperatives structures to improve their sustainability. The intent of our interventions was to grow sustainable cooperatives that can compete with businesses through leveraging personal investment and to control value chains due to economies of scale. Through the Cooperatives and SMME support fund the Department assisted SMMEs (including cooperatives), in both rural and urban areas, with loan funding. The fund has assisted 101 enterprises for the period under review.

The Department's procurement promotion strategy aims to empower SMMEs to take up public and private sector procurement opportunities by facilitating awareness on tender opportunities, supplier development, access to markets and access to finance. One of the key strategies of government is to use procurement as a lever to facilitate economic development, especially at a local level. The unit's procurement promotion initiatives sought to identify local SMMEs to develop their ability to take up public procurement opportunities.

The procurement promotion programme included initiatives such as the BBBEE Verification Certificate programme, Access to Corporate Markets, e-Skills capacity building programme, Supplier Open Days, Procurement Portal, Supplier Development, and targeted group-specific interventions such as the Disability Employment Summit. Through these initiatives over 1 500 businesses were assisted to gain access to government and private sector procurement promotion opportunities.

The Access to Markets initiative provided 500 SMMEs access to a procurement portal utilised by corporates such as ABSA, I&J, Sasol, Barloworld, Nestle, Rand Trust etc. The portal allows SMMEs to create procurement profiles which can be accessed by these corporates and fellow businesses, thereby encouraging business-to-business transactions.

The unit conducted Procurement Promotion and Compliance roadshows in areas such as Malmesbury, Hermanus, Mossel Bay, Robertson, Wolseley, Khayelitsha, Grabouw, Bellville and Bredasdorp. This provided a platform for SMMEs to adhere to procurement compliance issues such as registration on the Western Cape Supplier Database, subsidised BBBEE verification certificates, registration with the South African Revenue Services and other compliance entities/bodies. SMMEs were provided access to corporate procurement opportunities via a corporate procurement portal in conjunction with ABSA.

The Department partnered with Provincial Treasury in the roll-out of the Integrated Procurement Solutions (IPS) system. This involved informing suppliers and buyers of the new IPS system and how suppliers are registered on the WCSD in terms of the various product categories. This partnership facilitated the transition process since many suppliers were unable to access the IPS system.

Regional & Local Economic Development

Although a significant amount of services and resources are geared at localities, impact has not gained traction in a manner that demonstrates development and growth, or sustainable jobs. In formulating a Western Cape Government response, cognisance was taken of the emerging trends and potential opportunities that exist in the province for LED to gain some of the required traction. These include a need to build expert networks and sustain knowledge platforms, pursue partnerships between government and LED stakeholders, and to promote co-ordinated and integrated efforts in localities. Coordination, capacity building and policy guidance were thus identified for prioritisation over the past year.

The Regional & Local Economic Development sub-programme focused on being a facilitator and co-ordinator of support to local and district areas, and to capitalise on the opportunity to drive sound economic agendas through LED to reach provincial economic objectives. This approach not only aligns with PSG 1, but also with identified national outcomes. If we are to provide local business with an enabling environment that supports establishment, expansion and job-providing opportunities, then having well-functioning and capable local government is essential. It is therefore important that effort is made to build capable municipalities that can provide suitable local, enabling business environments.

The Department provides municipal support aimed at engendering an empowering approach to supporting municipalities. It does so by using a LED maturity tool to perform assessments that measures municipal proficiency and performance and utilise the results to benchmark progress by establishing an aggregate baseline score. Over this past year this was successfully done. The Department has moved one-step closer to getting local businesses to experience a more conducive business-facing environment and services from municipalities. Since measurement was first introduced, LED maturity levels have improved significantly at 80% of the municipalities – this is based on the result of findings (results clearly indicate that most municipalities are improving their LED practices), awareness around learnings and feedback. Improvement is not only attributed to the Department's capacity building initiatives, but also to the hard work of participating municipalities, striving to push up their LED competency and ranking.

The intent is to improve the Municipal LED Maturity Level Index (MLI) by increasing its aggregate baseline score, annually. Fifty-seven percent of municipalities scored above the average LED maturity index score established. As municipal proficiency improves, a more enabling environment for business is created. With a fertile environment, businesses' ability to grow and create jobs increases, and so does the confidence to do business competitively.

Municipal proficiency improves when suitable capacity building projects are done in collaboration with municipalities. Projects implemented were tailored around suitable tools to address gaps identified. Municipalities were provided with access to LED participatory tools such as the Participatory Appraisal of Competitive Advantage tool (PACA) – a diagnostic tool that seeks out the competitive advantages and disadvantages of a locality or a sector and aims to develop concrete and practical proposals to stimulate the local economy - and the Genesis tool - an approach to identify strategic interventions such as catalytic projects with a strong leverage factor. In both the Eden and Overberg regions the Department supported both PACA and Genesis processes undertaken to inform the new Eden Regional Economic Development Strategy and the Overberg LED Strategy & Action Plans, going forward. Similarly, a genesis support project was done with the Drakenstein Municipality to assist it in updating its current LED Strategy. To improve competency and capability levels of individuals at local level, capacity building training was provided to local councillors from across the province in partnership with SALGA to enhance understanding of LED practice and systems, and the flagship capacity building training provided was the development and implementation of the Professional Programme for Local Economic Development. This two-year pilot programme is implemented by the University of Western Cape and will provide beneficiaries access to accreditation as LED practitioners, and will ensure that municipalities will have accredited local economists within their institutions, for the first time. The aim of this training is not only to broaden the knowledge-base and skills-set of LED practitioners, but also to address the national objective of professionalisation of the public service as highlighted in the NDP.

Interventions undertaken by the Department to foster greater alignment and improved regional coordination included the development of regional economic agendas per the five district regions. These were developed to have a more coherent approach in supporting district and local municipalities in improving local economic performance, and to support integrated economic planning by aligning municipal and provincial priorities. The agendas were completed for each of the regions with agriculture, agro-processing, tourism, skills, energy, oil and gas, and the green economy emerging as substantial local priorities. This was echoed later in the year by the PSG 1 priorities that emerged under Project Khulisa.

The sub-programme also successfully hosted two Provincial LED Forum meetings and distributed a LED Newsletter to support knowledge platforms for role-players to access information; allow good practise to be shared; and, continue to forge and strengthen inter-governmental coordination that drives alignment of priorities. Given that this electronic newsletter could be completed within the existing budget allocation of the sub programme, an additional coordination initiative was possible.

Individual spheres of government cannot achieve the desired national outcomes or provincial strategic goals by itself. One of the transversal projects undertaken in 2014 focused on the national Comprehensive Rural Development Support Programme (CRDP). A geographic priority project was completed that focused on localities that are designated CRDP nodes within the Central Karoo. Outcomes of mini-PACAs done will aim to strengthening the economies of the CRDP nodes as well as identifying ways in which these rural nodes can contribute to the economic development and growth of the Central Karoo region as a whole.

Finally, municipalities require assistance with how to better deal with existing or impending informal sector activity - in a manner that adds positively to the local economy. In this context the Department wanted to ensure, through a transversal project, that credible municipal spatial plans and policies are not ignored (the municipality's space economy is increasingly shaped by developers) and that inequitable historical spatial growth patterns change. Based on dialogue and joint collaboration with municipalities the Department developed guidelines to be used to inform the development of sound by-laws that govern informal trading activity, and it developed criteria to guide the positioning of informal trading sites within municipal areas. The premise of development was to be better informed by, and to improve alignment of, municipal LED plans, to the Municipal Spatial Development Framework and Human Settlements Plan.

Red Tape Reduction

The Western Cape Government has publicly committed itself to reducing red tape for businesses, i.e. lessening the administrative burden to which they are subjected, and generally rendering the regulatory environment more conducive for businesses in the province. With the World Bank ranking South Africa 41st out of 185 countries in terms of ease of doing business in its 2014 Doing Business report, it is clear that urgent, targeted and effective interventions are required to make doing business in South Africa, and in the Western Cape in particular, easier, faster and cheaper. This is especially so in respect of small businesses, which are globally acknowledged as a key driver for job creation, innovation and economic growth. Small businesses have also been found to be disproportionately disadvantaged by red tape, as they have to apply already limited resources to address the blockages caused by excessive bureaucracy.

Red tape costs the South African economy dearly: In the last comprehensive research to assess its impact, it was estimated that this cost amounted to R79 billion in 2004. Several research studies, both in South Africa and abroad, have shown that a reduction in compliance costs results in increased economic growth, labour absorption and improved service delivery.

In the year under review, the Red Tape Reduction Unit focused its interventions on achieving its stated objectives of:

- raising awareness amongst national and provincial departments, public entities and regulators of the concept and existence of red tape and the need to reduce or, where possible, altogether eliminate it;
- preparing for the implementation of a system of ongoing review of legislation, both new and existing, to ensure that regulatory burdens on businesses are reduced and new ones are not imposed unnecessarily;
- continuing its initiatives to engage municipalities across the province in improving business-facing services, communication with businesses within their areas of jurisdiction and improving the regulatory environment through better bylaws and policies, and
- improving platforms for businesses to engage the WCG in relation to regulatory constraints they face.

The achievement of these objectives, which contribute to Provincial Strategic Goal 1, was driven through the projects and initiatives described below. The collective impact was to create an improved business environment in the province.

Research and monitoring and evaluation played a crucial role in the projects and activities of the unit. Our Business Support Helpline, despite growing from strength to strength in both attracting enquiries and resolving cases, was subjected to a rigorous assessment to both gauge client satisfaction levels and improve processes and procedures that result in quicker case resolution. Whilst the level of client satisfaction was acceptable, areas for improvement were uncovered and formed the basis of the development of benchmarks and standard operating procedures.

Other research and investigations, such as the revised visa regime, abnormal loads and abnormal vehicle registration and the demand analysis for a one-stop-shop for business enquiries, proved invaluable as inputs to constructive engagements with regulators (e.g. the provincial transport and public works department, the Provincial Regulatory Entity and national government departments).

With regard to general awareness initiatives, the RTRU has consistently used media to push awareness of red tape, the work of the unit, its successes and challenges and plans for the future. This was required, perhaps more so than for any other unit in the chief directorate, as it is still a relatively new unit and red tape and, in particular, red tape reduction is a fairly new concept for government and business alike to engage with. Awareness raising via media channels included radio advertisements, online (website) content development, videos, newspaper and magazine marketing. In addition to a range of media, the Unit also relied on personal engagement and roadshows, both in targeted, high-level meetings and presentations on the one hand and public platforms on the other.

An assessment of the abovementioned awareness initiatives revealed that the level of awareness and understanding of red tape amongst the target market had increased substantially during the period under review. An example of this was the increased number of enquiries received and the cases being handled by the Business Support Helpline both during and after a communication intervention. Business people who engaged with the Unit's staff at roadshows and expos had all had some exposure to the unit's awareness initiatives and often reported that they proceeded to its stand because of recognising the familiar branding.

The management staff of the municipalities with which the unit had engaged were surveyed to determine whether the engagement had increased their knowledge of red tape and the advantages of reducing it in their environments. The overwhelming majority reported that to be the case. This already brought about positive results, with several municipalities enquiring about possible participation in existing projects such as the Municipal Red Tape Reduction project and even projects that are still under consideration, like the Mark of Good Public Service – an international certification of quality.

As part of its efforts to raise awareness, the RTRU hosted the inaugural Red Tape Reduction Conference in September 2014. The primary objective of the conference was to advance the Department's Red Tape Reduction programme and create network opportunities amongst all levels of government.



Minister Winde, Swartland municipal manager, Joggie Scholtz and red tape reduction specialist, Chris Darroll taking part in a panel discussion during the conference.

The platform was used to showcase important factors that can contribute to the future success of the Western Cape Government and the unit in its efforts to reduce red tape. Minister of Economic Opportunities, Alan Winde, and several national and international speakers, delivered papers on relevant topics and discussed ways in which the unit could contribute even more meaningfully to the creation of a business environment less characterised by debilitating administrative and compliance burdens. The attendees included representatives from the various spheres of government and the private sector. The conference was attended by well over 100 delegates.

We believe that our awareness raising efforts clearly contributed to bringing about a commitment among stakeholders towards reducing red tape and hence improving the regulatory environment.

The second iteration of the Red Tape Challenge was run in 2014/15 after the successful inaugural event of 2013/14. The competition remains the only competition of its kind in the country.

Keen interest in the competition saw the number of departments participating rocket from 5 in 2013/14 to 10 in 2014/15. Building on the interest generated by the inaugural event, the event was well-supported, with the number of entries across its two categories – one for individual employees, the other for directorates – growing from 87 to 253. The winning entry related to an employee's proposal to expedite payment of stipends to volunteers. This affected approximately 1400 volunteers per month and provided a solution to a challenge that held severe reputational risk for the relevant department.

This project has undoubtedly contributed significantly to us achieving our ultimate objective of having provincial government staff acutely aware of the need to improve our interaction with business and most importantly, constantly working at streamlining systems and processes that result in the efficient dispensation of services to business. This could be seen in not only the increased numbers of departments and staff participating, but importantly the commitment by senior managers to seriously consider proposed interventions to reduce red tape.

The Challenge has offered provincial staff a platform to garner support for their ideas and an opportunity to implement them and as such contribute to the creation of a mindset and work ethic that favour efficient and business-friendly service delivery by government.



Minister Winde with two of the participants In the Red Tape Challenge at the award ceremony for the competition.

The WCG ordered an investigation into the institutionalisation of Regulatory Impact Assessment (RIA) as a tool for better regulation towards the end of 2012. Work on this long-term project continued in 2014/15, including high-level engagements, as instructed by the Provincial Top Management, with all provincial heads of department, the management of most of the municipalities in the province and the Monitoring and Evaluation Unit in the Presidency.

With buy-in at provincial and local government secured by year-end, one issue remained before the Unit would be in a position to make final recommendations to the provincial Cabinet on whether (and how) to implement RIAs in the province, namely the fact that the national government has in the interim decided to abandon RIA in favour of socio-economic impact assessment (SEIA). The national government claims SEIA is a more inclusive approach that is better suited to give effect to, and monitor the achievement of, government's strategic objectives. Cabinet's guidance will be sought in this regard.

The RIA project, in particular the opportunity it offered to engage with provincial and local government top management (heads of department, mayors and municipal managers) assisted in creating an environment receptive to a concept that might otherwise have been susceptible to rejection because of the notion that it would increase, rather than eliminate, red tape. Sharing international and local experience of how RIA had and could have reduced unintended consequences of ill-considered legislation and policy-making drove home the benefits of RIA and ensured that both provincial and local government management structures now almost unanimously and unreservedly support RIA as a tool to ensure better regulation. This creates a sound basis for its implementation after Cabinet approval has been obtained.

The continued roll-out of the Municipal Red Tape Reduction Project saw the Unit engaging a number of municipalities for the first time, whilst others were revisited to discuss the implementation of actions plans that had been developed in conjunction with those municipalities and businesses in their area in previous financial years.

The project sought to enhance the capacity of municipal officials and process facilitators to improve the business environment through mechanisms such as business process improvement and identify areas of improvement and efficiencies to be attained in each municipality.

Selected municipalities (e.g. Bitou, Hessequa and Overstrand) participated in this project. Our resulting interventions in partnership with the municipalities yielded meaningful efficiency improvements in selected business-facing processes that included:

- building plan approvals – resulting in smoother interactions between the municipality and the competent provincial authority;
- liquor licence lodgments – resulting in a quicker turnaround time for comments on applications; and
- informal trading permits – resulting in quicker processing of applications through an electronic platform.

The project once again revealed how effective seemingly insignificant changes in processes, approach and methods of communication employed by government (in this case municipalities) can be.

The Business Support Helpline, initiated in 2011, is a tool for business to deal with bureaucracy they experience when transacting with government. The number of cases logged with the helpline showed another substantial year-on-year increase, from 1 312 to 1 881, up 43.4%, which shows a clear need for the service amongst businesses, especially small businesses. The resolution rate increased from 90.2% to 96.5%. Some of the outcomes of the interventions by the Unit included:

- reduced consideration and adjudication periods for applications such as environmental impact authorisations and liquor licences;
- amendment of policy, where this was shown to be necessary, feasible and mutually beneficial to businesses and the government institution (department, municipality or regulator) concerned; and
- implementation of systems (e.g., non-cash payment facilities) to make it easier for businesses to transact with government.

Several high-profile clients were assisted after they had logged cases with the helpline. One concerned a well-known private hospital group which had obtained approval to build a private hospital in Tokai. In 2013, the municipality granted provisional approval to commence with the construction, but after 18 months the group had still not received final approval due to a concern that was raised by the fire department. Through careful negotiation with the municipality, the unit's intervention resulted in approval for the fire plan and building work could continue on the multi-million rand project that was providing almost 200 jobs during the construction period and would provide almost 400 permanent jobs after completion.

The Helpline also continued to be a good source of material for initiating policy and regulatory changes through the investigation of individual cases. An apt example of this is a complaint received that a municipality had declined an application for the filming of a commercial in line with its blanket policy of not allowing shoots involving animals in a certain location. Through our intervention, the application was approved, but more importantly, the municipality amended its policy to deal with each application on merit as opposed to an outright ban. A short advertisement can generated upwards of R1 million for the provincial economy, and this intervention has gone a long way in not only ensuring investment into that industry sector, but the uptake of employment by locals, albeit temporary.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Enterprise Development					
Sector Specific Indicators					
1.1	Number of existing SMME's supported.	2 343	3 300	3 560	A successful media campaign contributed to an increased awareness of the availability of small business support.
1.2	Number of new SMME's developed	1 385	2 000	2 305	The high number of new businesses established was exceeded due to Seda's awareness drive across the province.
1.3	Number of existing co-operatives supported.	14	40	40	
1.4	Number of new coo- peratives developed	10	15	30	There is a drive from national government to encourage the establishment of coopera- tives therefore the high num- ber cooperatives registered.
Sub-programme: Enterprise Development					
Provincial Specific Indicators					
1.5	Number of entrepre- neurship promotion interventions	45	60	60	
Sub-programme: Regional & Local Economic Development					
Sector Specific Indicators					
2.1	Number of economic development projects supported at local and regional levels.	3	-	-	
2.2	Number of capacity building interventions to municipalities.	5	5	5	
2.3	Number of LED strate- gies aligned to PGDS and other spatial devel- opment plans	-	-	-	
Provincial Specific Indicators					
2.4	Number of LED Assess- ments	30	30	30	
2.5	Number of Regional Co- ordination Interventions	-	5	6	An additional coordination intervention was done and successfully completed within the existing budget allocation for the sub-programme

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Economic Empowerment					
Sector specific indicators					
3.1	Number of target group specific opportunities identified.	527	800	952	Well established relationships with municipalities have resulted in an increase in the available opportunities to these target groups
3.2	Number of target group specific interventions.	17	16	16	
Provincial specific indicator					
3.3	Number of existing SMMEs supported	-	1 060	891	An erratum was submitted and approved however it was not timeously submitted to Legislature for tabling. The amended target for this indicator should be 730. A successful media campaign increased awareness of the departmental offerings. This resulted in an increase in the number of businesses accessing these offerings.
3.4	Number of new SMMEs developed	-	390	390	
Sub-programme: Red Tape Reduction					
4.1	Number of support interventions to departments & municipalities	18	30	31	It was necessary to interact with an additional municipality, and therefore the target was exceeded.
4.2	Number of municipalities assisted with improving business facing services	-	7	12	Municipalities were assisted on demand/request resulting in this target being exceeded.
4.3	Number of people reached through mass media and above-the-line communication	-	5 000 000	10 608 011	More media space or time than planned could be secured with the available budget, due to discounts and/or value-adds granted by the media providers.
4.4	Number of cases received and investigated	1 312	1 000	1 881	The number of cases received depends on the demand by business, as well as their response to the marketing initiatives launched by the unit, and as such is beyond the direct control of the unit.
4.5	Number of research papers and or surveys completed	-	5	8	Additional desktop studies were conducted as it was required for a project considered for implementation in the next financial year.
4.6	Number of provincial departments participating in the Red Tape Challenge	-	5	12	The format of the competition was amended to make it more inclusive. This change was initially planned for the 2015/16 financial year, but implemented sooner, when it became clear that it would be possible to do so.

Linking performance with budgets

During the 2014/15 financial year, an amount of R59.622 million was appropriated to the Programme. Of this, compensation of employees accounted for R19.153 million, Goods and Services R13.262 million, Transfers and Subsidies R26.621 million, Payments for Capital Expenditure R220 000 and Payments to Financial Assets R13 000.

In this regard, compensation of employees accounted for 32.12% of the Programme's expenditure. Goods and Services accounted for 22.24% of the total final expenditure of the Programme. An allocation of R2.894 million was provided primarily to increase the Total Early-stage Entrepreneurial Activity rate and Entrepreneurial Intent to be in line with the sector through key projects such as the Premier's Entrepreneurship Recognition Awards, Innovate Western Cape and Small Business Connect amongst others.

Part of the service delivery basket for Enterprise Development included the provision of entrepreneurship promotion through the Regional Entrepreneurship Weeks and the Funding Fair, in collaboration with National Government and a private sector partner. Interventions to increase the uptake of opportunities by small enterprises of procurement opportunities included the BBBEE Verification Programme and Access to Corporate Markets. An amount of R817 000 was spent in support of the aforementioned interventions in 2014/15. Awareness initiative such as Supplier Open Days, the Disability Employment Summit Conference and E-skilling also contributed towards the achievement of targets in key performance areas for the Programme.

With regard to Regional & Local Economic Development, an allocation of R1.437 million was provided to improve the Municipal LED Maturity level index with the provision of a Municipal Capacity Building Programme for local government and LED Assessments. An allocation of R861 000 was provided to support the improvement in a minimum of three growth and development indices (Regional Economic Agendas, Growth and Development Fora and Transversal Initiatives) through regional coordination efforts.

An allocation of R1.921 million was provided to manage the regulatory environment and to enhance and promote a more favourable business climate. Key interventions that were supported in this area included the Business Support Helpline, Regulatory Impact Assessment, Municipal Support Programme, Red Tape Challenge and Business Improvement Processes and Standard Cost Model. The Provincial Red Tape Challenge, which incurred expenditure to the amount of R594 000 and contributed significantly towards increasing awareness and encouraging active participation by businesses, government and other stakeholders relating to the concept of Red Tape Reduction within the Western Cape Government.

Payments for Transfers and Subsidies were provided to offer or enable access to financial assistance through the Enterprise Development Fund (R9 million) and the Provincial Growth Fund (R5 Million). Funds were also allocated for the increasing of access to financial and non-financial, government-supported resources/access points, such as Seda (R2 million), The Business Place (R1.5 million) and West Coast Business Development Centre (R1.5 million).

Sub-programme expenditure

Sub-programme Name	2014/15			2013/14		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Enterprise Development	38 553	38 200	353	31 828	31 828	-
Regional and Local Economic Development	8 138	8 138	-	7 988	7 988	-
Economic Empowerment	4 032	4 032	-	3 697	3697	-
Red Tape Reduction	6 893	6 893	-	4 682	4682	-
CD: Integrated Economic Development Service	2 006	2 006	-	1 812	1 812	-
Total	59 622	59 269	353	50 007	50 007	-

4.3 PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Purpose

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

Programme structure

The Programme is structured as follows:

- Sub-programme 3.1: Trade and Investment Promotion
- Sub-programme 3.2: Sector Development
- Sub-programme 3.3: Strategic Initiatives
- Sub-programme 3.4: Management: Trade and Sector Development

Service delivery objectives and indicators

The programme, Trade and Sector Development has three strategic objectives linked to PSG1:

- The stimulation, facilitation and increase of economic growth and opportunities through export and investment promotion and developing a strong economic regional brand.
- Supporting and developing economic sectors as a key contributor towards maximising economic opportunities, sustainability and employment growth.
- Growing and developing the provincial economy and facilitating economic opportunities through the development of strategically competitive and/or infrastructural initiatives.

An intense focus at all levels of government on the need for growth and jobs, has put the spotlight on sectoral programmes as a key mechanism of the country to achieve its economic potential. This is reflected in the New Growth Strategy, the Industrial Policy Action Plan (IPAP), and through PSG1, through Project Khulisa. A sectoral approach provides the strategic framework for trade and investment, strategic initiatives, SMME development and for skills.

The Department continued its focus on building strategic capabilities in its "propulsive" growth sectors of BPO, oil and gas, ICT and call-centres, and on the "employment supporting" sectors of clothing and textiles, agri- and food processing, and the creative and design sectors. These priorities will, however, fall away as Project Khulisa is introduced in the new financial year. The Green Economy as a "propulsive" sector has been elevated in line with its status as a PSG1 priority and game-changer, and the earlier declining support for the narrower tooling sector was refocused on the broader metals and engineering sector, in order to take advantage of the major recapitalisation and procurement drives at a national level.

The performance in terms of targets met has been excellent, with 95% of the targets being achieved, and with exceptional over-performance across a number of KPI targets. The Programme achieved a 94% success rate on its output targets, and a 96% success rate on its outcome targets. Wesgro came within the upper end of its target range, exceeding its lower estimate by 611 and exceeded its rand value of committed investment. The only target not achieved, was the number of firms expanded, due to Clotex being in management transition and failing to put in place the necessary monitoring and evaluation systems in time.

Notable successes on the outcome side, were: a record R6.7 billion of trade and investment projects through the GreenCape, oil and gas and BPO sectors, the facilitation of 13 494 employment opportunities, support to 736 firms, and the delivery of five strategic projects. In addition, the investment of R33.893 million in sector initiatives, led to the leveraging of a significant R49.473 million into critical sectoral projects across the SPVs.

Notable in contributing to the achievements above was the facilitation of R1.68 billion in new manufacturing and energy investments in the green economy sector, as well as the dynamic performance of the BPO sector, with BPeSA facilitating 4 259 new call centre seats. SAOGA created 7 450 employment opportunities, and attracted a record R5.027 billion in orders, with another exceptionally strong year of delivery, despite the collapse of the oil price. The lag-effect of this may impact next year's results.

To ensure that companies are ready to meet the demand, 736 firms were supported by interventions aimed at upgrading their capacities and ensuring competitive firms. This is particularly important in turning around firms within the manufacturing sector, and ensuring that they can compete in local and global value chains. Surveys have determined that 93 of these firms have expanded output and/or an increase in employees. This performance was below the target of 110 and was due largely to management transition within Clotex.

In general, it is clear that the work of the Department in conjunction with the SPVs is changing the trajectories of many of the sectors in which they operate. This however is a synergistic effort between the SPVs, who deal with the day to day networking and delivery of projects amongst each sector's firms, the Department that deals with higher-level strategic issues and vertical and horizontal alignment across government, Wesgro that leads on trade and investment, and other units within the Department that provide theme-based inputs, such as skills development, red tape reduction and SMME development inputs.

Manufacturing

The manufacturing sector continues to perform a critical role in the South African and regional economy despite a decline in the economic contribution relative to other sectors, most notably that of the tertiary sector. The manufacturing sector continues to occupy a significant share of the South African and regional economy. Although the manufacturing sector experienced a growth in the last quarter of 2014 there was a decrease in production in the chemical, rubber and plastics as well as the furniture and other divisions.

The focus is therefore on ensuring coordinated business support programmes to companies in the metals, engineering and related industries to assist them to improve their competitiveness in order to access local matchmaking opportunities which will enable them to create more jobs and contribute to the economic growth in the region. The oil and gas industry has been identified as one of the priority sectors by Project Khulisa and the focus will remain on the attraction of trade and investment opportunities to the Western Cape and the country overall. There are clear indications that the beleaguered clothing and textile industry has turned the corner, and is now on an upward growth path.

Oil and Gas

The industry attracted a record 23 projects for this financial year, attracting R5.027 billion in industry orders and creating 7 450 work opportunities. In addition to this, nine information platforms were facilitated with more than 600 individuals attending information workshops and over R1.963 million being leveraged via five successful funding proposals. With the explosion of recent oil and gas discoveries around the East and West coast of Africa, at least 30 international companies have established regional offices in Cape Town over the past five years. The relationship between the industry and TNPA has substantially improved, with on-going improvements to the port of Cape Town and with TNPA financing a new port handbook that has been developed by SAOGA.

SAOGA, in collaboration with the Department and UWC, has started a mapping and profiling project where the capacity and capabilities of 160 oil and gas companies have been put on a database. In the new financial year many of these companies will be benchmarked to get a better understanding of the challenges in the industry in order to address these issues and to develop an action plan to improve their export readiness. In addition, a supplier directory is being formulated and will be used as a promotional and marketing platform.

During the 2014/15 financial year SAOGA presented various papers at international and regional platforms and these include:

- International: Offshore Technology Conference (USA) 2014, Norway study group, Subsea UK and Singapore.
- Regional: Namibia, Kenya and Mozambique.

A current outcome of such presentations has been the establishment of regional offices of 30 international companies and the establishment of an Oil and Gas Machine type factory in Brackenfell (Hunting) with a current investment of R300 million.

SAOGA has formulated an oil and gas skills framework that is expressed through the Marine Oil and Gas Academy (MOGA). MOGA provides a "one stop shop" for industry players, jobseekers, prospective trainees/students and schools to engage proactively on issues such as curriculum and training content related issues, course information, access to courses, jobs and career information.

During the financial year SAOGA has been instrumental in placing 15 UWC Geo-Science Masters students on an e-learning course, identified and processed 20 students/operators on a recognition of Prior Learning assessment, facilitated 20 artisans on a Train the Trainer course, signed an MOA with the Dutch government pertaining to West Coast skills development, formed a partnership with all the TVET colleges in the province regarding curriculum development for Competency-based Modular Training (CBMT) and placed more than 200 TVET students within industry along with stipends, towards accessing trade tests.

Clothing and Textiles

The clothing-related sector bodies have exceeded most of their targets, assisting 495 businesses and leveraging R3 million into the sector, contributing towards the funding invested by DEDAT. Although the businesses expanded deliverable was not met, 39 businesses reported expansion either due to turn-over, employment or sales.

The Cape Clothing and Textile Cluster (CCTC) facilitated access to the national incentives scheme (CTCIP) with 11 firms participating over the past four years. This has led to an injection of more than R1 billion into the Western Cape economy over the past three years, leading in part to the long-awaited turn-around within the sector. The programme resulted in a great improvement in the lead times and quality provided by the local manufacturers, which have led directly to a significant increase in orders being "on-shored" by the local retailers.

The World Class Manufacturing Programme benchmarked 16 domestic companies and hosted two supervisor sessions with 19 participants and one management session with 12 participants. The benchmarks will allow companies to actualise the findings and further improve production methodology. Two successful international study tours were conducted in Turkey and Swaziland. The Turkey tour was facilitated by Woolworths/Marks & Spencer and the CCTC team was joined by eight firms allowing members to visit world class retailers, design centres and manufacturers and review their systems and processes. The Swaziland tour group visited seven firms which are increasing supplies to SA retailers and understanding their true operational capabilities is important to members to allow them to adapt accordingly. The best practice study tour took place at Villiera Wine Estate, a forerunner in the field of green and sustainable business practices having almost eliminated their reliance on the Eskom grid during low energy intensive months. The tour focussed on the synergies between Lean and Green thinking and practices as was supported by a number of firms. The SME Development programme recruited nine SME firms, completed initial rapid benchmarks which were used to find common challenges amongst the firms. The firms have received business plans, value stream maps and 5-S and 8 Waste shop floor training.

The State of the Industry workshop was a strategic session held at Bloemendal and was attended by 13 member firms (26 participants). This session was used to re-align objectives and develop a new business plan in line with industry needs and challenges. TRACE has been recognised as a SETA learnership allowing companies to claim for the participation of their employees. A total of 83 trained on TRACE in 2014. The practical component of the training has benefited firms to implement WCM processes in their firms as identified in the training projects. Employees who previously had no "formal" education now have 51 credits towards a National Certificate in Production Technology. The programmes implemented by the Western Cape Clothing and Textiles Service Centre (Clotex) has been instrumental in the growth of some of the participating firms, such as Dash SA which reported an increase in annual turnover from R20 000 at the start of 2014 to R900 000 in 2015 and a ten-fold employment increase from 19 to 201

The Cape Town Fashion Council (CTFC) has formed valuable partnerships with the CCDI collaborating on the Design Indaba 2015. Twenty seven designers generated sales of more than R800 000 over the four days of the expo. In addition designers were exposed to 208 international and 465 local buyers. The activities of the CTFC have directly contributed to Cape Town climbing up the rankings of fashion capitals, moving from 48th to 27th place over the year, and being recognised as the number one fashion capital in Africa.

The close co-ordination of the 3 SPVs that represent distinct portions of the clothing value chain has seen the CCTC leading the relationship with the retailers, the CTFC 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.

Metals and Engineering

The Western Cape Tooling Initiative (WCTI) has flourished in its role coordinating projects and interventions for the development and growth of the metals, engineering and related industries and performed well with limited resources and capacity. The WCTI exceeded most of its annual targets, leveraging a massive R16 million worth of funding, securing contracts of approximately R30 million for local suppliers and continuing to provide business support to companies to enable them to create jobs and increase their contribution to the economy through the facilitation of matchmaking opportunities.

WCTI continued with its enterprise development programme and assisted with the benchmarking of 47 companies that was conducted by Werkzeugbau Akademie and Productivity SA as well as the implementation of Quality Management Systems where a number of companies received their ISO 9001/2008 certification. One hundred and ten companies were profiled and two booklets were printed to market these companies. There is an internal departmental process in collaboration with the GIS unit in the Department of the Premier to develop an electronic map for the metals, engineering and related industry. Two hundred and eighteen Companies were assisted with pro-active business interventions. The WCTI engaged with state-owned enterprises, government and investors to identify business opportunities which resulted in possible localisation tenders being awarded from Atlantis Foundries, Busmark, Reutech and Gibela.

WCTI assisted with the continuation of the Tool, Die and Mold Powered Programme funded by DBSA, DTI and the National Skills Fund (NSF) where artisan training development programmes and on-the-job training were facilitated with students at different levels. The organisation experienced difficulties to retain some of the students due to late payments by DBSA that resulted in 12 students dropping out but currently there are 72 students in the programme. A graduation ceremony was hosted for 33 students who received certificates for the completion of the programme and who are awaiting an opportunity to do their trade tests to complete their qualification.

The WCTI also facilitated networking sessions with speakers from the Bloodhound project, Atlantis Foundries, B&M Analysts, ARIBA and Intrinsys. Newsletters were produced and distributed on a bi-monthly basis. The WCTI moved to new premises at the beginning of the year to form part of the Manufacturing Centre of Excellence in the Connaught Business Park in Parow that will become a cutting-edge centre for the manufacturing sector.

Green Economy

The Department and GreenCape have continued to help develop the Green Economy in alignment with the WCG's Green Economy Strategic Framework of 2013, and in line with the job creation and economic growth objectives set out in PSG1.

GreenCape's success is a direct result of its strong "sector desk" / industry clustering operational model, supported by cross-cutting projects that help to unlock industry opportunities.

GreenCape leveraged direct funding of R7 million, both through donor agencies such as the British High Commission's Prosperity Fund and the DTI's Special Economic Zone Fund; helped leverage R1.680 billion in new energy and manufacturing investments, and met its target of submitting three Green Economy projects for external funding.

GreenCape more than doubled its operational budget over the reporting period, and increased its staff from 25 to 38. The clustering and projects teams comprise of highly skilled professionals (with post-graduate qualifications in engineering, science, and economics) who work closely with industry to understand industry concerns, market trends and potential market barriers. Based on the feedback loop generated by engagements with industry and academia, the clustering work feeds directly into the project work that covers areas as diverse as energy strategy; embedded generation (with a focus on smart grids and smart metering technologies); resource efficiency; water as an economic constraint; decision support development for the waste economy; and WISP (the Western Cape Industrial Symbiosis Project).

Key successes in this reporting period include the following:

- Further development of the Atlantis Green Economy SEZ. GreenCape and the Department have played a leading role in driving the completion of the feasibility study, and achieving agreement with the DTI on the development strategy for this to-be-declared zone. It is expected that the SEZ will be declared in the second half of 2015. The first large investor, Gestamp Renewable Industries – a manufacturer of wind turbine towers – accessed land through the speedy land disposal programme, and opened its factory in Atlantis in November 2014, creating up to 200 full-time jobs when in full operation.
- The recognition by WCG of Green Cape's pivotal role in project delivery under the Green Economy – both through increased funding and through GreenCape's inputs in strategic discussions such as the Energy Game Changer Design Lab and the Agri-processing Design Lab.
- Effective engagement with key national government departments and SOEs around energy planning and infrastructure provision; water availability for industry development (mainly focused on the West Coast region); the role of natural gas in our energy economy; and the continued support for the clustering model to support economic development.

Services Industries

The Financial and Business Services industry makes up 19% of the South African economy, with good growth performance providing significant opportunities for employment. In alignment to Project Khulisa the Services Industries Directorate currently focuses on driving employment growth as well as increasing output in the Business Process Services and ICT industries. The growth of these sectors is dependent on the availability of skilled labour at competitive price points, as well as international awareness of the Western Cape's value proposition and offering of services. With respect to skills development, the directorate has focused on the development of programmes to effect systemic change to the regional skills environment in the relevant sectors. Promotion of the regional value proposition in the Business Process Services industry was also a major activity, with the Department supporting the industry association in marketing the region. Most importantly, these sectors offer substantial employment opportunities to young people with a matric or tertiary qualification, addressing the high unemployment rates experienced by this cohort of individuals.

In the past year although the Services Unit handed over the management of the DBSA Jobs Fund grant to the Department's Skills Development Programme, it has increased the supervision of the ICT skills element. The R112 million project aims to train over 2 000 people over three years across various disciplines including ICT, tooling and artisan skills and general entry level skills.

The Western Cape BPO industry has continued on its path of high growth and increasing international recognition. The sector added an exceptional 4 259 offshore jobs over the period over a range of sub sectors. The Department facilitated a number of BPO investment or sales deals into the province through its partner BPeSA Western Cape. The arrival of these operations signals the growing prevalence of the Western Cape as a world-class BPO service location.

The increased focus on higher value, more complex BPO work, such as legal process outsourcing and provision of Shared Services is yielding results with noteworthy expansion in this space. The Department has also completed a scoping study into higher value BPO work in the 2014/15 financial year and is assessing how best to target this fast-growing segment.

The Department collaborated with BPeSA in hosting a highly successful investor event in March 2015, attended by a host of international analysts, industry experts and investment decision-makers. The event profiled the Western Cape's BPO value proposition and provided an opportunity for local stakeholders to gain insight into the international perceptions of the region.

The success at the investor summit and the related job creation and off the back of a complex and innovative marketing campaign to ensure that the Western Cape and South Africa are highly visible in target markets and in contact with key investors. This includes investor lead generation, direct investor engagements, developing and distributing advertising and marketing collateral, building relationships with the international BPO analyst community, using online videos as well as the extensive use of social media.

Skills development continues to be of strategic importance both to ensure sustainable organic growth and to ensure investors are confident in the region's ability to meet their expectations. The Department, through its partner BPeSA, has begun to roll out a range of skills projects and interventions to ensure the region's competitiveness is enhanced. BPeSA has successfully completed the Gamification project with a grant from the Rockefeller Foundation, which will help recruit youngsters into the sector via a fun gaming mobile app.

Information Communication Technology (ICT)

The Department has supported the regional ICT industry through various interventions over the year. The primary focus has been on skills and enterprise development.

ICT skills projects are delivered by the Department in partnership with a range of stakeholders. Over the past year, successful collaborations were concluded with the University of the Western Cape, the College of Cape Town, the University of Cape Town and the Cape Peninsula University of Technology and the Cape IT Initiative (CITI). Each project focuses on a different area of ICT skills such as Java certifications, IBM PHP certifications, IT Infrastructure and Applications Management, Business and Systems Analyst training and Software Development Training.

The development and implementation of the Java Schools Project was a major achievement in the alignment of the skills supply system to industry demand. It trained 160 school students in Java programming in nine schools, in partnership with Oracle and the Western Cape Department of Education.

The Department's involvement in these skills projects aims to increase the size of the ICT skills pool as well as the quality of talent entering the market. This will lead to a more effective and productive ICT resource pool as well as increase the absorption of young talent into the sector.

Cape Town's recognition as a design and innovation capital underscores the competitiveness of the region's ICT SMMEs and start-ups. For this reason support to these firms is an important component of the Unit's activities. The Department's partnership with the Bandwidth Barn saw 30 businesses and entrepreneurs move through its business mentoring and coaching programmes in the year. Of these, 10 have already indicated improved revenues or decreased costs as a result of the interventions. In order to drive ICT firm market access, numerous engagements and trips occurred with stakeholders and incubators across Africa to provide ease of market entry. These engagements and trips were done in partnership with Wesgro, the Bandwidth Barn and local industry stakeholders.

In expanding support to ICT start-ups, processes were started to establish incubators in the Bellville-Tygerberg area and Khayelitsha-Mitchells Plain area. The Khayelitsha-Mitchell's Plain incubator was established at Lookout Hill as described in the Strategic Initiatives section below.

Financial Services

The financial services sector is a major contributor to the regional economy. In addition, the Western Cape has centres of excellence in the financial services industry that are competitive globally. Over the past year the Services Unit has collaborated with the University of Cape Town and major industry players to develop the African Institute for Financial Markets and Risk Management (AIFMRM). On the back of the R1 million contribution by the WCG, industry players have contributed R30 million towards the initiative. AIFMRM was established to ensure a deeper understanding of the sector through research and to provide skills development for the areas of risk management and general financial services in alignment to the needs of industry. AIFMRM is on track to establish a range of industry aligned courses over the next year. The development of the institute is a major step in sustaining and enhancing the region's competitiveness in the global financial services market landscape.

Resource Beneficiation

Over the last year, the Department has continued to deliver strongly on the Western Cape Government's priorities to grow the economy and increase the pipeline of job opportunities. During the year, significant achievements were made for both aquaculture and agri-processing through the launches of Ocean Economy and Project Khulisa respectively. The Department, through the Resource Beneficiation Unit, has been implementing several programmes for the development of aquaculture, agri-processing, and the natural products industries and these included providing assistance to companies through export readiness, firm upgrading and market exposure. These were achieved through partnerships with Western Cape Fine Initiative, Wesgro and the DTI.

The Department, in association with the Western Cape Fine Food Initiative, is currently facilitating the establishment and operation of a Halaal Industrial Park and its purpose is to encourage the strategic development of the Halaal food sector in the Western Cape.

Agri-processing

During the 2014/15 financial year, the Resource Beneficiation Industries (RBI) Unit met its performance targets, which were achieved through supporting the various initiatives to assist companies to improve their competitiveness and efficiencies as well as to grow the agri-processing sector.

Through various interventions, over 150 companies were actively assisted in various ways. Over 46 companies were assisted with the upgrading of their systems and facilities, capacity building and market access. More than 100 companies were assisted through the daily handling of enquiries, funding information sharing, visiting facilities and membership organisations. Through the export promotion and innovation drive, 20 companies were assisted by the RBI Unit to showcase their products at the 2014 Miami AfriCando Trade and Investment Conference and Trade Show under the theme of "Strengthening the Supply Chain for African Ethnic Foods, Spices and Beverages in the Americas". Attending the show enabled the Department to establish new relationships with experts from various fields, including research and development, product development, procurement, and marketing from across the food sector, academia and governments. These relationships will enable the Western Cape companies in the agri-processing sector to share the latest product, ingredient and technology developments and the future trends that will shape the food industry with companies in other countries. The outcome of the aforementioned assistance provided to companies for 2014/15 led to over 15 companies getting listed by retailers which resulted in an expansion of their operations, turnover and employment capabilities.

The Department provided support to companies and stakeholders, through workshops and information sessions hosted in conjunction with DTI to promote various incentive schemes, such as the Manufacturing Competitiveness Enhancement Programme), Sector Specific Assistance Scheme, Export Marketing and Investment Assistance and development funds. Because of these workshops and information sections, the Department has seen an increase in the number of companies enquiring about the incentive programmes offered by the DTI, which means that the cooperation with DTI is indeed achieving what it set out to achieve.

Through the Department's quest to grow the Western Cape's agri-processing sector domestically and internationally, the development of agri-processing parks/hubs has been prioritised in 2014/15. Although in its infancy stage, the RBI Unit has undertaken to conduct a pre-feasibility study to look at the viability of establishing a Halaal Park in the Western Cape. Part of the pre-feasibility was to engage with various stakeholders in the agri-processing value chain in order to establish partnerships for the construction and implementation of programmes in relation to the Halaal Park concept, which will be accelerated in the 2015/16 financial year.

The Department has been instrumental in influencing the establishment of the National Agro-Processing Forum, which is led by DTI and DAFF at national level, also supported by departments and the trade and investment agencies in other provinces. The other provinces are fully supportive of this initiative, and during the 2014/15 financial year, quite a number of meetings took place and the Terms of Reference for the forum's formalisation have been developed.

Building on the relationship with the Centre for the Promotion of Imports (CBI) from developing countries into the Netherlands, the Department provided strategic support and recommended companies to participate in the CBI's export development programme geared at the Natural Products Industry, which includes products made of Buchu, Rooibos, Honeybush, etc. Strategic conferences have been held over the past financial year; RBI

assisted with the coordination while CBI provided funding. Furthermore, the RBI Unit assisted the natural products company, Afriplex, with its application process for a bio-prospecting permit. After a process of more than two years, Afriplex finally obtained the permit at the end of 2014. The permit enables Afriplex to cultivate, process and market herbal products containing active ingredients from indigenous biological resources.

Aquaculture

The Department continued to support the growth of the aquaculture sector and during the financial year under review, achieved all of its targets for aquaculture, and continued to play a key role in supporting aquaculture projects.

Cabinet acknowledged the economic potential of aquaculture and included it as one of the three key economic sectors under Operation Phakisa. The Department participated in the project for six weeks to identify issues, develop solutions and action plans.

The Department together with its key partners continues to identify and evaluate suitable sites for aquaculture. Significant progress was made in the Saldanha Bay region and the Matzikama area where land has provisionally been made available to accommodate the intended expansions. The willingness of Transnet to support aquaculture in the Saldanha Bay, has presented significant economic opportunities in the aquaculture sector. The implementation of the initial phase of the Aquaculture Upgrade Programme continues to render positive results in outer years and has assisted in the credibility and capacity of Amanzi Biosecurity. During the 2014/15 financial year fundamental milestones were realized in the Matzikama region where the existing Doringbaai farm managed to secure funding from the IDC to support the expansion to the land acquired from the National Department of Transport and Public Works. The Department has, during the 2014/15 financial year, demonstrated its ability to contribute to this aspiration and has been formally approached by the National Department of Agriculture, Forestry and Fishing to drive the catalytic Environment Impact Assessment (EIA) process for these projects. The Department furthermore, continues to explore opportunities around inland fishing and is part of a task team led by Cape Nature that will investigate the economic opportunities attached to harvesting alien invasive species from local dams and the processing of potential catch to cater for the growing demand for fish.

A total of 23 companies were proactively assisted during the 2014/15 financial year. Businesses were predominantly assisted via the Sector Development Programme which focussed on creating collaborative partnerships within the sector and assisting with market access issues. This, coupled with other proactive interventions, contributed significantly to the expansion of at least 10 companies in the aquaculture sector that are now in a better position to take advantage of market opportunities and increase their employment figures. The Department has furthermore facilitated linkages with key retailers that have expressed their interests in procuring locally farmed products and will assist in the development and growth of farms so that they are able to reliably supply at particular level of demand.

Investment Promotion

For the 2014/15 financial year, the agency exceeded its upper band target of investment attraction with a record R2.107 billion, and exceeded the number of investments facilitated by four. On the jobs target the agency came within the expected range of 811 for the lower band and 1 630 for the upper band, with 1 442 jobs. The agency's investment outlook continues to be positive with a strong pipeline moving into the year ahead, exceeding its target by 20, with 52 potential investments.

On the export development side, the agency exceeded its number of businesses assisted with exports target of 500, by assisting 652 firms. It has far exceeded its target of the number of projects and interventions developed with the SPVs at 86 engagements. This is a reflection of the high level of co-ordination between Wesgro as the investment promotion agency and the SPVs.

The broader focus from the investment team has seen a number of its key sectors performing well in attracting investments. Of particular note were the investments in the energy sectors and the agro-processing sectors.

Strategic Initiatives

Focusing on economic-orientated infrastructure, Cape Catalyst was established in 2009 with a negligible budget and a relatively junior staffing complement of three people. The focus of the Sub-programme was to investigate and support hard and up-take infrastructure projects that improved the competitiveness of the Western Cape economy. Since then, the Sub-programme has grown, with seven projects having been assessed and scoped. Of the six projects currently 'on the books', two projects – the expansion of the Cape Town Convention Centre and the Saldanha IDZ – have moved towards implementation stage. These two projects have generated R958 742 000 infrastructure investment and supported 167 jobs. The outcome of the other four projects will be captured in the next five-year strategic timeframe.

While the outcome indicators reflect the value of infrastructure investment and mainly construction and establishment jobs, the overall intent of the Cape Catalyst projects is to improve competitiveness of the economy and stimulate employment. Therefore one of the main considerations when assessing the various projects is its cost-benefit analysis and the overall economic impact of the intervention on the economy. Collectively, these two projects (Saldanha IDZ and CTICC) will see the Western Cape generating an additional R11.5 billion p.a. to the economy and supporting 10 800 jobs by Year 10.

The need to establish the viability of infrastructure-related projects and the construction intensive nature of most of the Sub-programme's projects means that there is a longer gestation required for the realisation of Strategic Initiative Projects. Furthermore, because of the collaborative approach adopted by the Department, the role of partners frequently affects the nature and pace of the project rollout. Within this context, the Sub-programme: Strategic Initiatives has exceeded its outputs by one project, having supported seven infrastructure-related projects as opposed to the projected six projects.

The progress achieved for each of these projects is as follows:

Broadband Stream II Initiative. Following the re-alignment of the Western Cape Broadband Initiative in 2013/14 into a three-stream approach, the project is currently managed by CEI and DEDAT, with DEDAT being responsible for Stream 2. The purpose of Stream 2 is to facilitate the broadband usage, skills and access by citizens and businesses in order to improve economic competitiveness. To this end, in 2014/15, the Department completed a PPP investigation as well as embarked upon a number of proof of concept projects.

The broadband PPP focused on four main areas, namely:

- Connected Households – which aimed to develop a business model to support last-mile household internet access in low income, low internet penetration communities.
- Connected Communities – which aimed to develop a standardised offering across the province for public ICT access, knowledge production centres.
- Connected Business – which aimed to develop a universal, affordable, quality broadband access to businesses in the Western Cape to support economic development, specifically the efficiency and competitiveness of businesses in specific localities and/or industries.
- Cost-effective Computing – which aimed to provide cost-effective devices to learners in the Western Cape which would support the WCED's e-education vision, whilst fostering the provincial economic imperatives.

Upon the completion of the PPP Feasibility Study, it was decided that a PPP model was not the most appropriate implementation approach for the Broadband projects. However, the findings and recommendations would shape alternative implementation models that would be taken forward from the 2015/16 financial year.

Some of the other highlights for Broadband Stream 2 are as follows:

Connected Citizens. With respect to the **ICAN Elsies River**, which is the Proof of Concept for the Connected Communities Integrated Community Access Network (ICAN) model, Genesis Community IT Initiative was appointed in August 2014 following an open call for proposals to operate and manage the centre. The planning for programming activity and management systems were a primary focus over the remaining months of the year. As far as the refurbishment of the Elsies River Centre was concerned, there was an exceptional effort to get the centre refurbished under the management of City of Cape Town. The final refurbishment work was still being completed at the end of the financial year, given some construction delays. Given this, the official launch is scheduled to take place within the early part of the new financial year.

At the end of the 2013/14 financial year, the Department partnered with three NPOs to offer limited free internet access through **WiFi hotspots**. The intention of the project was to test and model different approaches to deliver public access WiFi. The three NPO pilot projects were Project Isizwe in Atlantis and Robertson, Digital Village in the Garden Route and Home of Compassion in Delft. The year commenced with the site preparation, authorisations and installation of equipment with the launches of the various hotspots taking place over the months of August to October 2014. A total of 50 hotspots were activated through these pilots and the usage results over the period show a steady increase in the number of users as well as usage statistics. One particularly interesting fact that emerged from the pilot was that the most popular content categories used in the WiFi hotspots were jobs, online encyclopaedia and SARS e-filing (we have excluded application updates from this list). The hotspot pilots have proved to be a success and have been extremely useful as the WCG aims to expand upon the hotspots programme in the new financial year.

Taking the WiFi hotspot initiative further, the Department secured a partnership with Neotel, using the SITA Stream 1 contract as leverage, to assist in delivering 384 WiFi hotspots (which will provide limited free access) across the province, and to provide seed capital of R1 million for the establishment of the Broadband Foundation which will serve as a collaboration platform amongst stakeholders. Planning for the WiFi hotspots will be finalised during the course of 2015/16, along with the implementation of the first 50 hotspots.

A low-light for the year was the stalling of the implementation of the Saldanha Wireless Mesh. The costs proved to be prohibitive for the Saldanha Municipality which took a unilateral decision late in the financial year to abort the process. As they are committed to the overall objectives of the project, the municipality is undertaking a re-assessment of implementation options.

Connected Business. The **Khayelitsha Barn**, which was launched in 2014/15, has seen the establishment and operations of a community-ICT incubator. This project is the culmination of a partnership between the Department as key seed partner, CITI as project manager and custodian of the highly successful Bandwidth Barn concept, and the City of Cape Town as the provider of access to the facility. The Khayelitsha Barn will see the extension of CITI's services and support to Khayelitsha and Mitchells' Plain and will focus on the needs and opportunities of the community.

Connected Leadership. The completion of the first regional broadband baseline study is an empirical analysis of the provincial current status quo and provides the benchmark for social and economic impact which improved broadband access has on the provincial economy.

Cape Town International Convention Centre (CTICC) Expansion. The expansion of the CTICC will see a 10 000m² increase in the floor space of the Convention Centre, allowing for the organisation to attract larger conferences and cater for a greater mix of convention offerings. In 2014/15 Convenco successfully activated the implementation phase for the expansion. This included developing and finalising the design; securing the main contractor; and initiating construction on 23 July 2014. Convenco has also managed to secure all approvals required at this point of the Master Programme's implementation plan. The project is on track and has sustained 167 construction jobs to date.

As part of the Western Cape's contribution and support of the expansion, the Department has subscribed for 23 369 shares valued at R81 790 000 as per the Share-Subscription letter, on behalf of the WCG, with the City of Cape Town subscribing for 91 428 shares at the value of R319 998 500.

The Design Collective. The East City Design Initiative (ECDI), or Design Collective, is a set of interventions that focuses on supporting design, using hard and soft infrastructure, as a major catalyst to improve the competitiveness of the economy.

In this year, DEDAT and CCDI have successfully launched the Design Institute. On the one hand, the Institute provides design entrepreneurs with a business development programme; but it also provides traditional business entrepreneurs and government officials with access to designers and design thinking that they can apply to their own environments towards improved competitive advantage or service delivery. CCDI has partnered with numerous organisations to achieve this goal, including TIA, other SPVs, Design Indaba and the City of Cape Town. These programmes have significantly supported World Design Capital 2014 projects and initiatives and will continue to do so beyond 2014.

In the financial year under review, the Department supported the development and launch of Phase 1 of the Design Hub, as recommended by the pre-feasibility study. This Hub, incubated by CCDI, and situated at 37 Barrack and 75 Harrington Streets, will host design and innovation events and business training programmes, and provides for short, medium, and long term office space rentals with shared facilities such as meeting facilities. The intention of the office facilities to be self-sustaining is being realised. The Design hub has expanded on the MIT initiated Fablab's space by expanding its technology and equipment so that designers are able to transform their concepts into samples.

Cape Health Technology Park (CHTP). Moving from the phase 1 feasibility study, Wesgro has been mandated to incubate and project manage the Cape Health Technology Park in its next phase of development. To this end, DEDAT has established, hosted and co-chaired the re-constituted Steering Committee and provided, together with DST, the joint funding for the project. Flowing from this arrangement, Wesgro initiated the recruitment of the CHTP project team that will drive the cluster and infrastructure development.

Air Access. The Air Access initiative received a boost in 2014/15 as there was renewed appreciation and additional support from the City of Cape Town during the course of 2014/15 regarding the importance of improving Airlift for regional competitiveness.

As a result, the DEDAT Air Access project scope, which had focused exclusively on certain African routes, was endorsed and expanded to incorporate a global airlift strategy with ACSA, Wesgro and the City of Cape Town. To this end DEDAT established, co-chaired and hosted the Steering Committee, developed research on global air movement with a focus on the USA, and developed a project plan for the implementation of this project. DEDAT has provided funding support to Wesgro who will in the new financial year, establish a dedicated project team.

Saldanha Bay IDZ. After securing the infrastructure funding from the SEZ fund at the end of the 2013/14 financial year, the Saldanha Bay IDZ Licencing Company (SBIDZ LiCo) kicked off the infrastructure roll-out by procuring the detailed design work on internal and external bulk infrastructure. Engineering design services were secured for five projects, including the internal road, water, electricity and sewerage networks. The first large construction tender, to the value of R140 million, was awarded and includes a 27% share of work allocated to a Saldanha-based, black-owned construction company. The second funding transfer from the SEZ fund, of R103 million, was also concluded.

DEDAT has been very involved in the development and finalisation of the corporate structures and corporate governance implementation. The SBIDZ LiCo started the financial year by operating completely separately from Wesgro, including its own audit and risk committee, HR, financial and ICT systems and leasing its own office space. The staff complement has grown to 75% of the full organisational structure, with the appointment of two new executives, a supply chain manager and the required administrative support. According to the partnership agreement between the three spheres of government, the Board of Directors has been duly expanded to accommodate National, Provincial and Local Government.

The skills development partnership with the community (in the form of the Community Skills and Training Committee) has continued with ward-based representation and a skills plan has been agreed and implementation initiated. The Business Forum continues to represent all business organisations in Saldanha Bay and has concluded the Business Charter, signed by all representatives. DEDAT also assisted in the conclusion of the lease agreement with the IDC and initiated the expanded scope of the legislative process to establish the appropriate public entity to house the SBIDZ.

West Coast Industrial Plan. Beyond the development of the IDZ, Saldanha Bay is attracting large scale industrial developments which will place significant pressure on the current infrastructure network (roads, water, electricity, waste, etc.). The West Coast Industrial Plan has set out to gain accurate demand forecast indications and combine it with an ideal future state of industrial development in the West Coast in order for government to develop the appropriate infrastructure in time to facilitate investment and job creation.

During the 2014/15 financial year, this project was brought from concept to reality through securing buy-in from partner departments (DEADP, DTPW) and other spheres of government, securing DEDAT funding allocation of around R2 million and procuring a consortium of expertise to execute the visioning, data-gathering and synthesis work to formulate this plan. A draft Status Quo Report was also completed, allowing the project to kick into full execution in the new financial year.

Outcome indicator		Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Trade and Investment Promotion					
1.1	Rand value of committed investment projects into the Western Cape	R1.699bn	R800m to R1.600bn	R986.720m	The economic trend has been toward fewer projects with larger capital value.
1.2	Number of jobs facilitated	739	800 to 1 600	1 442	
Sub-programme: Sector Development					
2.1	Value of trade and investment facilitated	R4.8bn	R4.2bn	R7.7bn	The economic trend has been toward fewer projects with larger capital value.
2.2	Value of funding / support leveraged	R33.1m	R21.3m	R43.437m	The Sector bodies have in- creased their efforts in obtain- ing additional funding to en- sure the continuation of their programmes and projects.
2.3	Value of tenders / contracts secured by local suppliers	-	R20m	R29.780m	The economic trend has been toward projects with larger capital value and focussed support to local suppliers has enabled them to obtain more and larger orders.
2.4	Number of jobs facilitated	9 853	4 500	13 494	A number of high employ- ment opportunities in specifi- cally the oil and gas and BPO sectors has resulted in the increase in figures.
2.5	Number of businesses expanded / sustained	73	110	70	The current economic outlook prevented businesses from expanding its employment, productivity and turnover.
Sub-programme: Strategic Initiatives					
3.1	Number of jobs facilitated/sustained	-	500	167	No. of construction jobs facili- tated/sustained is challenging to estimate ahead of time.
3.2	Value of infrastructure investment	R204m	R820m	R958.724m	Methodological approach now calculates investment amounts upfront in com- parison to annual payments which resulted in greater vari- ability in infrastructure value.

Performance indicators and targets

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Trade and Investment Promotion					
Sector Specific Indicators					
1.1	Number of investments projects realised	12	10	7	The economic trend has been toward fewer projects with larger capital value.
1.2	Number of businesses assisted with exports	459	500	652	Due to the decrease in the Rand there have been higher levels of interest in export support.
Provincial Specific Indicators					
1.3	Number of new investment projects in the pipeline	35	32	52	Due to aggressive promotion the pipeline has increased over the year.
1.4	Number of strategic engagements with SDAs and Export Councils	79	16	87	Due to strong coordination between Wesgro, the Department and SPVs, the number of engagements increased.
Sub-programme: Sector Development					
Sector Specific Indicators					
2.1	Number of people trained	208	-	-	
2.2	Number of businesses assisted with proactive interventions	685	445	736	Interest in the interventions has increased due in part to social media exposure especially in the newly improved workshop offerings.
Provincial Specific Indicators					
2.3	Number of trade and investment projects realised	40	10	23	SAOGA has through various platforms managed to solidify their credibility and contacts in the sector both nationally and internationally. This coupled with the prioritisation of the Sector by Operation Phakisa and Khulisa created a favourable environment for investment to flourish.
2.4	Number of funding proposals submitted	30	25	27	Given the current economic and funding situation, sector bodies have increased the efforts to secure and leverage funding from other funders.
2.5	Number of courses developed	-	3	3	
2.6	Number of ICT incubators established	-	1	1	
2.7	Number of Green Economy projects developed	-	5	5	
2.8	Number of people enrolled at accredited institutes	-	-	-	

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Strategic Initiatives					
Sector Specific Indicators					
3.1	Number of people trained	-	-	-	-
3.2	Number of infrastructure projects supported	8	6	7	Support and funding approval for West Coast Industrial Plan was obtained during the finan- cial year in question.

Linking performance with budgets

During the 2014/15 financial year, an amount of R236.595 million was appropriated to the Programme. Of this, compensation of employees accounted for R18.975 million, Goods and Services R34.503 million, Transfers and Subsidies R182.961 million and payments for capital expenditure R153 000, and R3 000 for payment of financial assets.

In this regard, compensation of employees accounted for 8.02% of the Programmatic expenditure.

Goods and Services accounted for 14.56% of the total final expenditure of the Programme. An allocation of R3.7 million was spent on the LNG research projects. The Strategic Initiatives sub-programme spent their allocation primarily on the implementation of infrastructure related projects that consist of the Broadband Initiative and West Coast Industrial Plan.

Transfers payments consist of 77.29% of the Programmatic Expenditure. Payments for Transfers and Subsidies were provided mainly for grant funding of the Sector Development Sub-Programme's 11 sector bodies. The Cape Catalyst Unit made transfer payments to Convenco (R81.79 million), City of Cape Town (R500 000), and R5.8 million to six Non-government Organizations for broadband initiative-related projects. And R9 million was transferred to Cape Craft and Design Institute to provide support to the Fringe project.

Sub-programme expenditure

Sub-programme Name	2014/15			2013/14		
	Final Appropria- tion	Actual Expen- diture	(Over)/ Under Expen- diture	Final Appro- piation	Actual Expen- diture	(Over)/ Under Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000
Trade and Investment Promotion	19 235	19 235	-	21 481	21 481	-
Sector Development	51 683	51 061	622	46 405	46 405	-
Strategic Initiatives	164 719	164 711	8	60 363	54 775	5 588
Management: Trade and Sector Development	958	952	6	1 579	1 579	-
TOTAL	236 595	235 959	636	129 828	124 240	5 588

4.4 PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Purpose

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

Programme structure

The Programme is structured as follows:

- Sub-programme 4.1: Regulation Services
- Sub-programme 4.2: Consumer Protection
- Sub-programme 4.3: Liquor Regulation

Service delivery objectives and indicators

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

From the above it therefore appears that the OCP has an extremely broad mandate to investigate conduct that may have had a prejudicial effect on consumers within the province. However, it must be noted that this mandate is not restricted to only consumer complaints investigation since the important issue of consumer education also forms part of the statutory obligations of the Programme.

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

It must be noted that the creation of an enabling business environment by way of addressing barriers to business development and growth is one of the core elements of Provincial Strategic Objective 1. In terms of PSO1 the reduction of so-called red tape that hinders business development and growth in the province was considered to be one of the key areas that must be addressed. Barriers to business growth are an insidious threat to business and especially inhibit smaller enterprises of the sort that are so important to the Western Cape economy.

One of the barriers to business development was identified as the inability to obtain a business licence from a municipality which allows the business to trade. Currently the existing law only obligates certain businesses, e.g. bars, restaurant/pubs, entertainment facilities, to have a business licence before they can operate. In certain instances applications for a business licence are refused by a municipality and in terms of the current Businesses Act, 1993, the unsuccessful applicant has a right of appeal to the provincial Minister responsible for Economic Development.

The Department has a role to play in this process since a departmental recommendation on the merits of the appeal is submitted to the provincial minister for consideration. This is however a function that is largely dependent on whether or not appeals are submitted for consideration. In recent years it has been noted that a limited amount of appeals have been lodged by prospective businesses. The reasons are many and could include the

fact that a limited amount of applications are refused by municipalities or applicants deciding not to proceed with an appeal due to the limited chances of success. In both instances these factors are outside the control of the Programme and as such the performance related to this target must be seen in this context.

In the year under review the Programme had the target of providing recommendations on two business licence appeals that were submitted to the provincial minister. In the year under review the Department received no appeals from businesses regarding an unsuccessful application. As stated previously, the number of appeals received by the Department is an area over which the Department has no control especially since the decision to appeal or not is a decision made by the applicant. In addition, many applications are approved and thus the need for an appeal is eliminated. These factors have therefore also contributed towards the target as set by the Department.

Consumer Redress Services

The area of consumer protection is one, which in terms of strategic objectives, aligns very well with the development of a customer-centric public service which is aimed at creating an empowered citizenry. As such many of the Programme's projects are aligned with the provincial and national outcomes which are aimed at the development of a public service which is focussed on protection of consumer rights of citizens. As such the Programme identifies closely with National Outcome 12 and the Provincial Strategic Objectives which are aimed at the creation of an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship. It is therefore clear that the work of the Programme is customer-focussed since there is a direct interface with the citizens of the province and direct services are provided on consumer protection and consumer education issues.

The results of the work done during the year under review has shown that various successes have been achieved by the Programme and that considerable strides were made in ensuring that a customer-centric service is provided throughout the province on consumer protection and consumer education matters. The aforementioned results are highly comparable with those of provincial counterparts and demonstrate that the Programme is achieving its objectives.

In an attempt to monitor and record the impact of the resolutions facilitated by the OCP, a specific outcome indicator was included in the APP as of the 2011/12 financial year. The indicator has continued within the financial year under review. This performance indicator relates to the financial saving that accrues to a consumer due to the OCP's inquiry and/or investigation into a disputed consumer complaint. The criteria used to determine the financial saving was one endorsed by the National Consumer Commission 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 R6 million. This achievement is noteworthy especially in light of the reduction in case numbers that were received during the year under review.

The financial value saving 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 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 visible by way of this specific indicator.

As part of the OCP's strategy of measuring the effectiveness of its various interventions it was determined that a comprehensive survey on specific service delivery initiatives would need to be conducted. As such an annual survey, which measures the percentage of consumers indicating satisfaction with the level and standard of service provided by OCP, was initiated. The results of such an assessment would provide an indication if the OCP was indeed providing valuable assistance to citizens in the province. The target set within the APP is a satisfaction level for all of the services of the Programme, i.e. both complaints management and consumer education. The survey results currently reflect a 47% satisfaction level for complaints management only. It is noted that the inclusion of the consumer education satisfaction level will certainly lead to the percentage set in the APP being exceeded. The stated percentage (complaints management only) must thus be seen in this context.

The satisfaction level recorded for complaints management is however notable especially in light of the fact that a consumer complaint will never always be in favour of the consumer as often no transgression of the law has been committed by a business. In addition, it must be noted that the Consumer Protection Act, 2008, places certain limitations on the mandate of the Consumer Protector. For example, certain disputes, such as claim for damages and contractual terminations are placed within the jurisdiction of the civil courts and not the Consumer Protector. It is therefore common cause that the Consumer Protector cannot attend to matters outside of its jurisdiction and would need to advise complainants that it cannot proceed with a matter such as those mentioned above which is not resolved amicably. A consumer who has thus been unsuccessful with a complaint may thus not record their interaction with the OCP as satisfactory. As such, the achievement is a positive reflection of the work done by the OCP. The specific context of dispute resolution and legal mandate must therefore be taken into account when evaluating this specific performance indicator.

Consumer awareness levels

The comments made above with regards to the Programme's alignment with National Outcome 12 and the provincial strategic objectives aimed at customer service excellence must be noted here since they are also applicable to the area of consumer education. The year under review has seen the OCP's Consumer Education and Awareness Unit enhancing its work with communities, business, NPOs, faith-based organisations, government departments and other interested stakeholders. The primary mandate of the Unit is to provide stakeholders with information/guidance on consumer matters and also to enhance the level of awareness amongst the aforementioned groups about various important consumer matters. This includes the role and function of the OCP, the content of the Consumer Protection Act and basic financial literacy. In line with this mandate the OCP has conducted numerous awareness/information campaigns and workshops with targeted groups and stakeholders across the province. The results of these engagements have been positive especially since the output and outcome targets as set by the OCP have been achieved.

It will be noted that as part of the Department's monitoring and evaluation project to gauge the impact and success of the various initiatives conducted during the financial year under review, a survey was conducted to measure the level of awareness amongst consumers in the province. The results have indicated that the various information and consumer education campaigns that were conducted across the province have been effective and positive results were achieved. In this regard the survey results have demonstrated that a commendable awareness level regarding consumer protection has been recorded across the province. It is evident that the various strategic partnerships that were forged over the past few years have now started to bear fruit, especially within the consumer awareness category. One of the mechanisms that have contributed towards this increase in awareness levels is the various engagements with the print media and radio (especially community radio) sector. The vast majority of these engagements with this sector have been on the basis of both parties acknowledging the need to provide citizens with access to information which would strengthen their ability to protect themselves in transactions with business. The survey results have demonstrated the effectiveness of this and other awareness projects and as a result the OCP will continue to enhance and refine the various awareness campaigns across the province.

A key focus of the OCP's approach in performing its mandate, especially in light of the tremendous increase in interest from citizens on the issue of consumer protection, was to develop and maintain key partnerships with strategic partners. The rationale was that an effective and strong working relationship with other key stakeholders would only serve to enhance the service offerings of the OCP. In addition, various strategic partners would be able to participate in consumer education campaigns hosted by the OCP and thereby enhance the areas of focus presented to attendees. The year under review has therefore seen the OCP continuing its work in establishing effective working relationships and partnerships with a wide spectrum of role-players within the consumer protection arena. The partnerships developed included those with statutory bodies responsible for consumer protection as well as non-government organisations.

The work done by the Unit has ensured that the majority of targets set has been achieved. This is a notable achievement especially if taking into account the limitations as far as human resources is concerned and the broad area of work that had to be covered across the province.

Outcome indicator		Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Regulation Services					
1.1	Number of new businesses operating by virtue of departmental appeal recommendations	1	2	0	The number of appeals submitted is outside the control of the Programme. As such the prediction of whether an appeal will be submitted or not is extremely challenging. It must also be noted that municipalities are recognising the importance of economic growth within their areas as a contributor to job creation and poverty reduction. As such the majority of business licence applications are being viewed positively and this has resulted in a decline in the need for appeals to be submitted.
Sub-programme: Consumer Protection					
2.1	Increased awareness levels amongst Western Cape citizens regarding the OCP & its service offerings (Total number of positive responses / sample of population)	89.46%	20% (Sample size of 3 000 consumers)	24.9%	The variation between the results of the current year and the previous year must be seen in the context of the survey for this year having been extended. This extension saw the survey being conducted in a broader cross section of the population across the province.
2.2	Number of strategic consumer NGO and other stakeholder partnerships established	28	30	31	
2.3	Monetary value saving to consumers	R4.1m	R5m	R6.8m	Despite a reduction in case numbers, the OCP has exceeded the target set for savings accruing to consumers. The primary reason for this is that many disputes involved vehicle sales where the value of the goods was substantial. This contributed towards the saving target being exceeded. It must however be noted that predicting the type of matters and the values thereof is extremely difficult and as such an accurate estimation of this target is often challenging.

Outcome indicator		Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
2.4	Percentage of consumers indicating satisfaction with the level and standard of service provided by OCP (Total number of positive responses / sample of population)	59%	60% (Sample size of 1 500 consumers)	47.5%	It must be noted that the 47% ONLY relates to the satisfaction level within the complaints management unit. The result does not include the satisfaction level for the OCP as a whole. The consumer education satisfaction level % is currently excluded. It is submitted that the results of the consumer education unit would lead to the target being achieved or exceeded.
2.5	Percentage of consumers indicating change in financial behaviour due to OCP consumer financial literacy project (Total number of positive responses / sample of population)	-	70%	87%	The prediction of the positive influence of the sessions conducted is always a challenging exercise since it depends on numerous factors often outside the scope of control of the Programme. It appears that the sessions conducted as well as the general topical nature of proper money management for consumers have resulted in this positive result.
Sub-programme: Liquor Regulation					
3.1	Percentage of liquor outlets licensed. Number of outlets with valid liquor licenses as per internal database / total (unlicensed and licensed) outlets	31.13% (baseline: 26 000)	35% (baseline: 24 000)	32.49% (7 799 licensed outlets)	The decision to renew licences is an issue outside the control of the authority and is dependent on many factors including economic or financial circumstances.

Performance indicators and targets

Consumer Redress

The financial year under review has seen the OCP continuing to work towards its objective of becoming an identifiable and trusted consumer dispute resolution authority for consumers within the province. The strategies implemented by the OCP are all geared towards the provision of a customer/citizen-centric, friendly service aimed at assisting consumers in the resolution of their disputes. This service, which includes the provision of a toll free complaints recording and information line has seen numerous consumer complaints recorded at the office for investigation and/or inquiry. The Western Cape OCP continues to be one of only two provincial authorities with a consumer helpline which provides affordable and easy access to members of the public. The volume of cases logged can therefore be claimed to be a direct result of the accessibility to the service and the confidence displayed amongst citizens in utilising the service offerings of the OCP. It must be noted that the year under review has seen the OCP unfortunately not achieve the projected targets in terms of complaints received and complaints resolved. In this regard it is however important that the following mitigation be noted:

1. The projection of case numbers is an extremely challenging task since a variety of factors, which are outside the control of the Programme, can and does have a direct bearing on the achievement of the target;
2. During the year under review the National Minister of Trade and Industry has, in accordance with the provisions of the Consumer Protection Act of 2008 initiated the process of accrediting a number of

alternative dispute resolution agencies. The accreditation provision in the Consumer Protection Act was specifically instituted in the legislation so as to allow for a tiered system of complaints redress for consumers. The intention was to ensure that various industries implemented, as a first stage of assistance for consumers, an industry self-regulation mechanism. At the commencement of the Act this self-regulation mechanism was not in place since the National Minister was firstly obligated to ensure that the Codes of conduct applicable to this self-regulatory system was compliant with the Act. As such all complaints were lodged with offices such as the Consumer Protector and case numbers were vast. The accreditation process followed was however not done in collaboration with provincial offices and as such provincial offices were uncertain as to the anticipated timeframe around the finalisation of this process. As such contingency measures relating to the possible impact on case numbers could not be put in place at the time the targets were set for the year under review.

This process has now been finalised by the National Minister and has resulted in two major sectors (motor vehicle and consumer goods) having their industry codes accredited. The impact of the accreditation is that these two sectors now have an Ombudsman who is authorised in terms of the Consumer Protection Act to also investigate and resolve consumer disputes within their respective sectors. This process has had an impact on the Programme's targets since many of the complaints which have in previous years been received by us for investigation have now been allocated to the Ombudsman's office for attention. By way of example we mention that many vehicle dealerships have now amended their sale contracts to provide that in the event of any dispute between the parties, the matter will now be attended to by the Motor Industry Ombudsman. As such a large percentage of matters which the Programme previously attended to has now been referred to the Ombudsman. This led to a direct reduction in cases received by provincial offices. This impact is one which has been experienced by all provincial consumer protection offices. It must however be noted that despite the reduction in cases received and resolved the Programme has still received and resolved the most number of complaints amongst the nine provincial consumer protection offices.

Consumer education

The targets set for the Consumer Education Unit's activities have either been met or exceeded. In this regard it must be noted that the targets for campaigns, programmes and engagements is largely based on the available resources (human and financial) within the Unit. It should be noted that the Unit is comprised of three officials who are responsible for covering the entire province and as such targets have been set while taking this into consideration. It will however be noted that many of the targets related to information campaigns/ workshops have been exceeded. The mitigation around this is largely based on the fact that often the Unit would receive ad hoc requests for further sessions while conducting planned engagements within a community. The decision has been made that from a citizen-centric perspective the Unit would accommodate the ad hoc requests as far as possible rather than declining or postponing them. It is often more effective for the Unit to conduct the ad hoc sessions at the time of request since many of the engagements are outside of the Metro and as such it is more suitable to include them at the time of request. This phenomenon has therefore resulted in an increase in the number of planned engagements.

Liquor Regulation

The performance targets as set by the Western Cape Liquor Authority (WCLA) has either been met or exceeded. In this regard it must be noted that certain of the targets such as the number of applications received and number of licences issued, are often outside the direct control of the WCLA and thus difficult to predict. In other areas such as number of inspections conducted and number of awareness campaigns conducted, the WCLA has seen an enhanced synergy between the various stakeholders within the industry. For example, on inspections conducted, the WCLA has forged a stronger cooperative linkage with both the SAPS and other law enforcement agencies. This stronger linkage has resulted in more coordinated inspection activities conducted between the WCLA and the relevant stakeholders mentioned.

On the topic of awareness campaigns conducted, the WCLA has also strengthened its engagement with industry and community structures regarding various liquor regulation matters. This enhanced synergies has also resulted in the number of planned engagements being exceeded by the WCLA.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Regulation Services					
Sector Specific Indicators					
1.1	Number of barriers identified	-	-		
1.2	Number of barriers addressed	-	-		
1.3	Number of business licence appeal recommendations provided	1	3	0	The number of appeals submitted is outside the control of the Programme. As such the prediction of whether an appeal will be submitted or not is extremely challenging. It must also be noted that municipalities are recognising the importance of economic growth within their areas as a contributor to job creation and poverty reduction. As such the majority of business licence applications are being viewed positively and this has resulted in a decline in the need for appeals to be submitted.
Sub-programme: Consumer Protection					
Sector Specific Indicators					
2.1	Number of consumer education programmes conducted	243	230	274	The Programme has received a number of ad hoc requests for consumer education engagements during the year. These additional requests could not be turned down and were thus accommodated.
2.2	Number of complaints received	10 554	12 000	8 991	As mentioned in the main narrative the prediction of case numbers is extremely challenging as they depend on factors outside the control of the Programme. In addition the National Minister has, in terms of the Consumer protection Act, 2008, accredited 2 ombudsmen schemes during the year under review. The accreditation resulted in the Motor industry and Consumer Goods industry now having an Ombudsman authorised to deal with consumer complaints. Matters that previously were lodged with the OCP for inquiry have now been directly referred to the ombudsmen schemes resulting in a reduction in predicted case numbers.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Regulation Services					
Sector Specific Indicators					
2.3	Number of complaints resolved	10 063	11 000	8 872	The reduction in cases received due to the factors mentioned in the preceding paragraph has directly resulted in a decrease in the number of cases resolved.
Provincial Specific Indicators					
2.4	Number of consumer protection information sheets/booklets developed and distributed to citizens and business	12	4	4	
2.5	Number of financial literacy workshops conducted	89	70	118	The topical issue of financial literacy has seen numerous organisations approach the office for ad hoc sessions with staff, community members and interested parties. The ad hoc requests could not be turned away and were accommodated.
2.6	Number of attendees at financial literacy workshops	2 664	2 100	3 581	The increase in the number of sessions conducted resulted in the increase in the number of attendees.
Sub-programme: Liquor Regulation					
Sector Specific Indicators					
3.1	Number of applications received	3 308	2 650	3 621	The prediction of applications to be received is challenging since it is dependent on factors outside the control of the WCLA. As such an exact prediction is impossible.
3.2	Number of licences issued	1 602	1 750	1 807	The prediction of licences to be issued is also challenging since it is dependent on numerous external factors some of which are outside the control of the WCLA.
3.3	Number of awareness programmes conducted	103	100	127	The WCLA has noted a greater demand for engagement from the sector and this has led to the target being exceeded.
3.5	Number of inspections conducted	3 820	3 000	4 163	The number of inspections conducted was exceeded due to the enhanced co-operation and integration between the WCLA, SAPS and Law Enforcement.
3.6	Number of social responsibility programmes conducted	-	2	2	

Linking performance with budgets

During the 2014/15 financial year, an amount of R49.123 million was appropriated to Programme 4. Of this, Compensation of Employees amounted to R8.448 million, Goods and Services R2.379 million, Transfers and Subsidies R38.241 million and Payments to Capital Expenditure R40 000.

Compensation of Employees accounted for 17.20% of the final expenditure of the Programme. Goods and Services accounted for 4.84% of the final expenditure of the Programme. The Goods and Services allocation was provided primarily to resource the toll free call centre function that is managed by an external agency on behalf of the Provincial Government of the Western Cape.

Transfers and subsidies accounted for 77.85% of the total final expenditure of the Programme. This allocation was provided primarily for the operationalisation of the Western Cape Liquor Authority during the 2014/15 financial year.

Payments for capital assets included an amount of R40 000 for the purchase of additional computers and desktops.

Sub-programme expenditure

Sub-programme Name	2014/15			2013/14		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Consumer Protection	10 021	10 021	-	10 372	10 372	-
Liquor Regulation	39 102	39 102	-	31 109	31 109	-
Total	49 123	49 123	-	41 481	41 481	-

4.5 PROGRAMME 5: ECONOMIC PLANNING

Purpose

The purpose is to provide strategic support to the Department in undertaking province-wide cross-cutting economic planning processes to give effect to Strategic Objective 1, i.e. "Creating opportunities for growth and jobs". Strategic Objective 1 requires the long-term perspective, to inform shorter term plans, resource allocation, trade-offs and the sequencing of policies.

Programme structure

The Programme is structured as follows:

- Sub-programme 5.1: Policy and Planning
- Sub-programme 5.2: Research and Development
- Sub-programme 5.3: Knowledge Management
- Sub-programme 5.4: Monitoring and Evaluation
- Sub-programme 5.5: Western Cape Economic Development Partnership

Service delivery objectives and indicators

Policy and Planning

Project Khulisa

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

Flowing from the Provincial Strategic Plan the Department has been tasked with leading Provincial Strategic Goal 1 (PSG1): Create opportunities for growth and jobs. In giving articulation to PSG1, Project Khulisa was initiated. The purpose of Project Khulisa was to accurately identify parts of the Western Cape economy with the greatest potential for accelerated and sustained growth and job creation. The methodology employed was one of the most inclusive conducted to date, including the widest consultation with industry, academia and other stakeholders.

Outcomes of Project Khulisa were presented to and endorsed by the Provincial Cabinet. Project Khulisa therefore underpins and informs the Department's five-year strategic plan and its annual performance plans for the corresponding period.

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

The Research Unit (in collaboration with the Department of the Premier) presented to the Liquor Tribunal on practices to reduce liquor usage in stadiums.

Green Economy

The progress towards positioning the Western Cape as the greenest economic hub of the African continent is measured by way of investment into the Green Economy. A baseline report has been developed during 2014/15 following the investment mapping audit undertaken during 2013/14. An update was also done of the investment prospects within the Renewable Energy sector. Total investments that have been made by respondents to the survey (11 of 15 respondents), amount to over R500 million in the previous year, a planned estimate of R582 million in 2014/15 and a total of over R1.3 billion from 2011 to date. This includes spending on various activities related to renewable energy project development, from project development services, to environmental impact assessment work to the manufacturing of components.

With the 110% Green programme entering its third year, flagship projects are starting to report back on the impact they have achieved since joining the 110% Green programme. Fifteen companies have indicated that they have met their commitments. These commitments ranged from establishment of educational programmes and recycling hubs to the securing of new manufacturers of renewable energy technologies in Atlantis and Cape Town.

The Waste Economy is recognised for its significant job creation potential, particularly within the low-skilled labour force market. This is therefore a key thematic area within the Green Economy with a number of initiatives underway to stimulate the economic opportunities within this space. One such project, the Western Cape Industrial Symbiosis Programme continued to render business and environmental benefits to the companies assisted the past year. During 2014/15, a total of 97 businesses were assisted, of which 16 synergies have been completed. The synergies completed included exchanges of discarded materials by member companies such as wood, electronic, plastic, food, organic chemicals and textiles. At the outcome level, these companies diverted 370 tonnes of waste from landfill and generated additional revenue of R1.5 million. On the municipal front, three case studies were undertaken for Stellenbosch, Drakenstein and Eden District Municipalities. These case studies enable Integrated Waste Management by drawing on a number of decision support tools that have been developed by GreenCape in the past year and a half.

In the Energy space, three context-specific municipal case studies were developed for George, Stellenbosch and Matzikama. Each of the case studies deal with different aspects of embedded generation with the aim of creating an enabling environment for the uptake of alternative, low carbon solutions. The Stellenbosch case study, for example, explored the impact of embedded generation and energy efficiency on municipal operating revenue and surplus. The Matzikama study on the other hand investigates the potential for solar PV to be used as an alternative supply solution.

The Green Finance Desk was established the past financial year with the aim of facilitating the deployment of capital in the Green Economy. The past financial year included work on a number of fronts: building relationships with financiers and developing a database of green financing options, mapping the investment and job creation investment opportunities in the Green Economy and undertaking an analysis of the municipal revenue challenges related to electricity provision.

The Department commissioned and completed four technical studies towards a full feasibility report for LNG importation. The studies illustrate that it is technically feasible to land LNG within the Saldanha region and that it is feasible to distribute the gas along the Saldanha-Cape Town corridor. Furthermore, the studies illustrate that the utilisation of gas in the region would be economically feasible and offer an additional source of energy both for power generation and industrial application. Therefore, LNG would provide impetus for strong economic growth.

The Department has also engaged with state-owned enterprises, private sector investors and regulatory bodies involved in the gas market with a view to facilitating investment decisions in this market. These engagements have illustrated that there is no shortage of commercial entities keen to supply LNG to South Africa, nor of gas off-take opportunities, spearheaded by power generation. In the current context where energy security is at a premium, world gas prices are rapidly declining, and technological solutions for gas deployment are readily available, the financial viability of such a project is highly attractive.

The Green Economy footprint in the province continued to expand through the 110% Green initiative. A total of 40 new companies joined this programme in the past year. These companies committed to a range of activities to grow and expand the Green Economy, such as the innovative use of waste materials, alternative options to generate heat and save electricity, as well as programmes to drive the mainstreaming of resource efficiency. In terms of strategic projects, the first Better Living Challenge showcase took place at the Cape Town Station Forecourt in October last year where a number of finalists and exhibitors displayed their innovative housing and home improvement solutions. The three winners from this showcase will receive customised support over the next two years in order to assist them to take their products to market. The design phase of the Genius of Place project was successfully completed in 2014/15 and with support from the Stellenbosch Municipality, construction of the proposed water and waste prototypes will commence in 2015/16.

Research and Development

The metals and engineering sector is of strategic importance within the manufacturing sector. The Research and Development Unit provided support to this sector by commissioning a benchmarking study (using an internationally recognised approach) in the metals and engineering sector. The benchmarking exercise profiled 40 firms and identified customised areas where each of these firms could improve their competitiveness. The analysis provided a framework to upgrade firm-level production capacity and capabilities in order to enhance job creation and retention, income generation and economic growth.

The Unit, together with other external stakeholders, supported the second phase of the innovative gel fuel project, which was initiated almost two years ago. This study tested a number of options for fuels and stoves and showed that gel fuels can be a safer and healthier alternative to using paraffin. When this initiative is finally fully implemented it will have a significant positive economic and social impact.

The Unit also partnered with the Bureau for Economic Research and provided economic reviews that informed the Department's management on the economic performance and outlook of the Province. The unit significantly extended this role through providing access to databases (e.g. IHS Global Insight, Quantec), which provided crucial data used in Project Khulisa.

The Unit also collaborated with the Department of the Premier and contributed to evidence-based policy development by providing background research on liquor policy and management in stadiums for the Western Cape Liquor Authority. We unpacked different policies adopted in different countries and evaluated their successes and/or failures. The research output was presented to the Liquor Tribunal in order to assist WCLA to develop evidenced-based research in informing their policy enhancement/development.

Monitoring and Evaluation (M&E)

The M&E Unit is driven by progressive policies and institutional developments that assist government and the Department in particular. It will entrench the public mandate for a "government-wide" M&E system in departments including:

- Institutionalising M&E in government; via Department of Performance Monitoring and Evaluation (DPME) strategic policy framework;
- The national MPAT exercise; as an externally verified public sector management tool to assess the quality of management practices; and
- With M&E attaining the maximum MPAT rating of a Level 4, the "Department's (M&E) is fully compliant with requirements and is doing things smartly." Taken into consideration was the excess of evidence to substantiate M&E's Level 4 of Maturity, which included the Department's Results-based M&E Policy Framework, plans and the M&E Programme.

For 2014/15, the evaluation programme delivered two evaluations namely Assessment of the Office of the Consumer Protector Outcomes and the Evaluation of the Transversal Skills Programme in supporting growth and jobs. These evaluations had a forward-looking agenda.

The Office of the Consumer Protector, as a programme with an abundance of direct public engagement provides valuable insight for the Department.

Skills development is a major thrust within the Department. The Evaluation of the Transversal Skills Programmes provides an overview and insight into provincial programmes for the Department. This in turn will feed into the new skills programmes related to jobs and growth.

The evaluations were complemented by a monitoring programme which conducted the following monitoring reports:

1. An outlook on the Department's performance for the strategic period 2010-2015
2. Monitoring of skills interventions within the Department
3. Monitoring of enterprise development interventions within Department
4. Change in financial behaviour due to the OCP's financial education programmes.

Along with improving the capacity of the M&E programme, the unit engaged with the rest of the Department via quarterly M&E learning networks which are geared to assist with institutionalising a culture of M&E within the Department. The value of these M&E projects are realised as the Department uses the results to influence the next year's agenda.

Western Cape Economic Development Partnership

The Economic Development Partnership (EDP) was established and launched to lead, coordinate and drive the economic growth, development and inclusion agenda for Cape Town and the Western Cape Province. It provides a new way of working together to redesign the regional economy and deliver different outcomes, to achieve greater levels of inclusive growth. The EDP's mission is to improve the performance of the Western Cape economic development system, by creating and sustaining partnerships between economic stakeholders, in support of the OneCape2040 goal of creating a resilient, inclusive and competitive region, thus contributing to South Africa's national economic success. Key programme areas for the year 2014/15, representing the primary initiatives of the EDP in its effort to offer expression of the objectives and functions were:

- Building Partnerships (50% of EDP focus, resources and effort)
- Monitoring and Evaluating Partnerships (15%)
- Teaching Partnering Techniques and Practices (15%)
- Supporting Partnerships (20%).

Outcome indicator		Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Policy and Planning					
1.1	Updated Economic Development Strategy	-	1	1	
1.2	Green investment as % of GDP (Aggregated Rand value of existing investment into Green Economy / Rand value of Regional GDP for the year)	-	Establish Baseline	Baseline established	
1.3	Number of flagship companies meeting commitment statement	-	15	15	
Sub-programme: Research and Development					
2.1	To implement a strategic research agenda that will increase economic intelligence	Fully functional provincial economic intelligence system	Research agenda approved by the Departmental Top Management	Research agenda approved by the Departmental Top Management	
Sub-programme: Knowledge Management					
3.1	Level of staff awareness increased (Number of staff with positive feedback / total number surveyed)	11% of staff informed and effective to be measured by internal survey	65% of Staff informed and effective to be measured by internal survey	69% of staff that were surveyed gave positive feedback of the Resource Centre	The sub-programme has no direct control over the staff completing the survey.
Sub-programme: Monitoring and Evaluation					
4.1	Improved M&E system (Maturity Level 4), measured via MPAT	Level 4 maturity	4	Maturity level 4 maintained	
Sub-programme: Western Cape Economic Development Partnership					
5.1	Number of partnerships (referring to all 5 EDP programme areas covering strategic, operational, special purpose, spatial, coalition and knowledge sharing partnerships) established	-	5	5	

Performance indicators and targets

The Policy and Planning sub-programme undertook the management of the Department's MPAT review, even though it was not part of its function, and elevated the Department's score to 4 overall, resulting in the Department being awarded Runner-up: Best Small Department in the Country (under 2 000 staff).

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Policy and Planning					
Sector Specific Indicators					
1.1	Number of economic strategies developed	-	2	2	
1.2	Number of strategies reviewed	10	4	2	Focus was centred on the development of Project Khulisa, which encompasses multiple programmatic strategies.
Provincial Specific Indicators					
1.3	Number of strategic planning sessions	2	2	3	An additional strategic planning session was held during the year.
1.4	Number of quarterly Dashboard Analyses.	4	4	-	The Dashboard ceased to exist on the 31 March 2014. The replacement project monitoring system is not the responsibility of the sub-programme.
1.5	Number of businesses assisted	-	90	96	Significant interest in the WISP programme has led to an overachievement of targets.
1.6	Number of municipal case studies	-	6	6	
1.7	Number of flagship companies enrolled in 110%Green	110	40	40	
1.8	Set up (and maintenance) of Green Finance Support Facility	-	1	1	
1.9	Component reports to feasibility study – LNG Importation	-	7-9	4	No response has been received with regard to an application to DBSA to fund a number of technical studies. The Department was therefore unable to go ahead with the studies without the necessary funding.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Research and Development					
Sector Specific Indicators					
2.1	Number of research reports	11	10	10	
2.2	Number of Research and Development initiatives supported	1	1	1	
Provincial Specific Indicators					
2.3	Number of economic seminars	-	2	3	An additional seminar on the 2014 Quarterly Labour Force Survey was hosted.
2.4	Number of economic briefs	-	4	4	
2.5	Number of Quarterly Economic Reviews	3	2	2	
Sub-programme: Knowledge Management					
Sector Specific Indicators					
3.1	Number of provincial economic intelligence reports produced	6	4	4	
Provincial Specific Indicators					
3.2	Fully implemented e-filing system in accordance with Provincial guidelines	-	Back-scanning of records of two selected programmes	Back-scanning of records of one selected programme	The current e-filing system was placed on hold. The e-filing system is being replaced by the provincial ECM system co-ordinated by Cultural Affairs and Sport. The implementation of ECM was postponed from November 2014 to August 2015 due to the modernisation process not completed. The current scanning has been done on Sharepoint in preparation for ECM.
3.3	Number of learning networks facilitated	3	4	4	
Sub-programme: Monitoring and Evaluation					
Sector Specific Indicators					
4.1	Number of monitoring reports produced	10	12	6	An addendum was submitted and approved; however, it was not timeously submitted to Legislature for tabling. The amended target for this indicator should be 4.
4.2	Number of evaluation reports produced	5	2	2	
Provincial Specific Indicators					
4.3	Functioning M&E Learning Network, as per number of engagements / sessions	-	4	5	An additional learning network was held in the financial year.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Western Cape Economic Development Partnership					
Provincial Specific Indicators					
5.1	Number of joint plans / projects between the Economic Development Partnership and its partners	-	2	2	
5.2	Number of economic intelligence reports produced	-	4	4	
5.3	Number of M&E reports produced on provincial economic indicators	-	4	4	
5.4	Establishment of a knowledge sharing and partnership building platform	-	1	1	

In preparation for drafting an overall provincial economic strategy, the sub-programme Policy and Planning significantly over-achieved on its strategies reviewed target in 2013/14. The focus in this financial year was directed to the development of Project Khulisa, expressing PSG1 and the development of the Department's five-year strategy. This resulted in an underachievement of strategies reviewed, vis-à-vis an achievement of two instead of the targeted four.

Linking performance with budgets

During the 2014/15 financial year, an amount of R41.239 million was appropriated to the Programme. An overview of the funds spent per economic classification is as follows:

- Compensation of Employees accounted for R9.860 million or 23.91% of total expenditure
- Goods and Services accounted for R13.314 million or 32.28% of total expenditure
- Transfers and Subsidies accounted for R17.690 million or 42.90% of total expenditure
- Payments for Capital Expenditure ran to R131 000 and
- Payments for Financial Assets ran to R19 000.

The Goods and Services allocation was provided primarily for Provincial Strategic Goal 1 (R6.9 million), the Green Economy Strategic Framework and realisation of investment and market opportunities (R1.206 million) through 110% Green, RIA Waste, Green Finance, Better Living Challenge, Genius of Place and Investment Mapping. An allocation of R2.674 million was also provided for research projects such as Metals and Engineering, Bureau for Economic Research and Global Entrepreneurship Monitor. An allocation of R654 000 was also provided for Monitoring and Evaluation projects such as Transversal Skills and Office of the Consumer Protector. Funds were transferred to GreenCape (R6.05 million) to support the Western Cape Industrial Symbiosis Project, Waste Economy, Smart Grids, Biofuels and Investment Mapping. The Cape Craft and Design Institute was also supported to the value of R1.5 million for the implementation of the Better Living Challenge Project. An allocation of R8.696 million was transferred to the Western Cape Economic Development Partnership to motivate and encourage stakeholders and partners to drive economic change and action within the Western Cape region through four programme areas:

1. Building partnerships
2. Monitoring and evaluation partnerships
3. Teaching partnerships techniques and practices
4. Supporting partnerships

A key delivery area for the EDP was the work done around the formulation of the Economic Transformation Framework which aims to accelerate growth and offer opportunities to Western Cape citizens within the next five years.

Sub-programme expenditure

Sub-programme Name	2014/15			2013/14		
	Final Appropria- tion	Actual Expen- diture	(Over)/ Under Expen- diture	Final Appro- piation	Actual Expen- diture	(Over)/ Under Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000
Policy and Planning	21 602	21 377	225	14 159	14 159	0
Research and Development	4 840	4 840	0	5 780	5 775	5
Knowledge Management	2 505	2 505	0	3 150	3 149	1
Monitoring and Evaluation	3 396	3 396	0	1 915	1 915	0
Western Cape Economic Development Partnership	8 896	8 896	0	9 692	9 692	0
Total	41 239	41 014	225	34 696	34 690	6

4.6 PROGRAMME 6: TOURISM, ARTS AND ENTERTAINMENT

Purpose

To facilitate opportunities for the growth and increased inclusivity of the tourism, arts and entertainment sectors.

Programme structure

The Programme is structured as follows:

- Sub-programme 6.1: Tourism Planning
- Sub-programme 6.2: Tourism Growth and Development
- Sub-programme 6.3: Tourism Sector Transformation
- Sub-programme 6.4: Destination Marketing Organisation
- Sub-programme 6.5: Commercial Arts and Entertainment

Service delivery objectives and indicators

The Western Cape has the most diverse product offering in terms of tourism in South Africa and has all the necessary ingredients to become a leading destination in South Africa and in the international market place. The Western Cape's tourism sector contributes 9.8% to provincial GDP and an estimated 150 000 people are employed in the tourism sector.

While the Western Cape is one of South Africa's leading tourist destinations, its tourism potential needs to be fully realized.

The approved Provincial Strategic Objective 1: Creating opportunities for growth and jobs re-affirms that a key feature of the provincial economy is a "thriving multidimensional 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 support for growth sectors, including support for the tourism sector.

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

Project Khulisa identified several key levers that the Western Cape Government can use to catalyse a substantial and sustained increase in tourism visits, GVA contribution and job creation. These are:

- Accessibility: Engage National Government to improve the visa regime; consider options to "facilitate" certain sectors or players in the meantime.
- Set strategic focus: Prioritise the development of targeted niche markets and targeted source markets.
- Promotion: Create a platform that the public and private sectors are willing to collaborate on strategically and financially.

These key levers are prioritised in the Western Cape Government's Khulisa Tourism Roadmap and inform the key drivers of the provincial tourism strategy for the 2015/16 financial year.

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

Tourism Destination Performance

Globally, the United Nations World Tourism Organisation (UNWTO) predicts that the next two decades will be of sustained growth for the tourism sector and that international tourist arrivals are set to increase by an average of 43 million a year between 2010 and 2030. By 2030, the number is estimated to reach 1.8 billion.

According to the UNWTO World Tourism Barometer, international tourist arrivals reached 1 138 million in 2014, a 4.7% increase over the previous year. The UNWTO forecasts international tourism to grow by 3% to 4%, further contributing to the global economic recovery during 2015.

The number of international tourists reached 1 138 million in 2014, which is 51 million more than in 2013. With an increase of 4.7%, this is the fifth consecutive year of above average growth since the 2009 economic crisis.

By region, the Americas (+7%) and Asia and the Pacific (+5%) registered the strongest growth, while Europe (+4%), the Middle East (+4%) and Africa (+2%) grew at a slightly more modest pace. By subregion, North America (+8%) saw the best results, followed by North-East Asia, South Asia, Southern and Mediterranean Europe, Northern Europe and the Caribbean, all increasing by 7%.

For 2015, UNWTO forecasts international tourist arrivals to grow between 3% and 4%.

During 2013 tourist arrivals to South Africa amounted to 9 616 964 representing a 4.7% growth in arrivals from the 9 188 368 tourists who travelled to the country in 2012. The Total Foreign Direct Spend during 2013 in South Africa was R70.3 billion, a decrease of 5.3% when compared to the R74.2 billion which was spent by foreigners during 2012. The average length of stay increased from 7.7 nights per tourist in 2012 to 8.7 nights in 2013.

Please note that the verified 2014 full-year figures for tourist arrivals to the Western Cape, Total Foreign Direct Spend (TFDS) as well as domestic trips are not available as yet, and anticipated to be released by South African Tourism.

The period April 2014 to March 2015 saw the tourism industry faced with many challenges on a global platform. The two biggest challenges faced during this period was the outbreak of Ebola in West Africa in March 2014 and the proposed change to visa regulations for visitors to South Africa.

These have had, and are still having, a negative perceptual and economic impact on our destination with tourists, tour operators and conference organisers cancelling trips to the province.

The importance of domestic tourism in terms of extending the season and driving geographic spread was once again supported by the outcomes of research done by Wesgro through the visitor information centres from January to September 2014. A total of 26 000 respondents participated in the study.

The table below shows the percentage share of overseas vs domestic visitors the metropole and regions.

	Overseas visitors	Domestic visitors
Garden Route and Klein Karoo	38.3%	61.1%
Cape Karoo	7.4%	92.5%
Cape Overberg	41.2%	58.5%
Cape West Coast	20.2%	78.5%
Cape Town	43%	57%
Cape Winelands	51.9%	47.3%

Tourism Planning

The Western Cape Tourism, Arts and Entertainment Partnership, which provides a mechanism for consultative governance, was maintained in the 2014/15 financial year. The Tourism, Arts and Entertainment Management Unit provided secretariat support to the Partnership, which facilitated 23 engagements including plenary sessions for both tourism and film stakeholders which was chaired by Minister Alan Winde. The importance of the Partnership and these engagements is that it provides an enabling environment through strategy development. The Department presented the five-year Tourism Growth Strategy at the plenary meetings in addition to presenting this strategy at the regional stakeholder engagements to all stakeholders for input. All inputs and comments received from stakeholders were taken into consideration when developing the final five-year Tourism Growth Strategy. The Partnership allows for an open, transparent and participatory process when developing policies and strategies that affect the Western Cape tourism industry. The Department also presented the draft Cycle Tourism Framework which was developed in-house by the Tourism, Arts and Entertainment team. During the Film plenary meeting, the Wesgro Film and Media promotion plan was presented and consulted with stakeholders.

During the 2014/15 financial year, the Western Cape Government undertook an extensive exercise known as Project Khulisa to accurately identify the parts of the provincial economy with the greatest potential for accelerated, sustained growth and job-creation. Tourism was identified as one such sector because it is growing at a rapid rate and has the potential to create meaningful employment opportunities for our residents. After extensive engagements with private and public sector role players, a potential action plan was formulated for the tourism industry which will be further unpacked from 2015 onwards.

Tourism Growth and Development

Growth in the tourism sector is focused on playing an aggressive and proactive role in the development of tourism sites, attractions, facilities, routes, infrastructure and the environment in general as well as the expansion of tourism product. This is formalised in the WC Tourism Development Plan which emphasises a wider distribution of tourists throughout the Province. The development of unique and innovative tourism product offerings aims to increase tourists to the Western Cape as well as enhancing the visitor experience.

The Department initiated stakeholder engagements during the 2014/15 financial year with all role players (including industry and local municipalities) throughout the regions to ascertain the key priority areas, which could be targeted for tourism development. The outcomes of the stakeholder engagements allowed for the analysis of key markets and actual arrival patterns to the Western Cape. This process together with the recommendations which emanated from Project Khulisa, identified the following province-wide tourism niche markets for priority regional support and marketing over the next five years: Culture and Heritage, Wine and Cuisine and Cycle Tourism (within the adventure tourism space).

The programme, after numerous and collaborative workshops with all interested stakeholders, developed a Cycle Tourism Framework which will be utilised to inform the further development of this niche product to capitalise on a growing culture of cycling within the province. Implementation plans will be developed for each of these niche markets.

Cape Agulhas

During the 2014/15 financial year, as part of the Project Advisory Committee (PAC), the Department assisted with the project management and implementation plans for the Iconic Structure at the Southernmost Tip of Africa in Agulhas. It is expected that the development of the Iconic Structure, the rehabilitation of the vegetation around the area earmarked for the erection of the Iconic Structure, the re-alignment of the boardwalk, the paving of the dirt road which leads up to the lighthouse precinct and the rehabilitation of the existing parking lot will be completed by April 2016.

Lambert's Bay Bird Island

The completion certificate was issued in December 2014 for the rehabilitation of the Lambert's Bay Bird Island project which entailed the development of added features to make it more attractive and accessible to visitors. The additional features included a life-size whale, development of an interpretation centre, upgrade of the Penguin Pool, upgrade of the existing bird hide, upgrading of footpaths, upgrading of signage and exhibits for the island and curio shop. This project was done in partnership with Cape Nature, with the Department's funding contribution of R1 million.

The City to West Coast Route

During the 2014/15 financial year, the Department facilitated a site visit for the National Department of Tourism to showcase the four nodes along the West Coast route. The Department is awaiting the National Department of Tourism's feedback with regard to the business plan which was submitted for EPWP/SRI funding for the development of the second phase of this route.

The Tourism Safety and Support Programme was another intervention that sought to enhance the visitor experience. The programme responded to 30 incidents of tourists in distress and distributed over 12 500 tourism 'travel tips' to 125 different organisations and tourism associations. The value of this programme is that it aims to counter the negative perceptions of the safety of the destination and aims to create a positive and caring atmosphere for tourists in distress to ensure repeat visitors.

The Tourism Road Signage Framework continued to be implemented by the Regional Tourism Liaison Committees (RTLCL) in the Cape Winelands and Overberg, Southern Cape and West Coast. Fourteen meetings were held and 55 new applications were processed. Tourism road signage is a vital component of a tourist's access to information. It is the final stage whereby travelers are able to find their way to a tourism product or service and promotes and encourages regional spread.

Tourism Sector Transformation

The Tourism Enterprise Development unit assisted 504 tourism businesses through the following programmes: Business Skills, Social Media Training, E-marketing and Tourism Mentorship. Through these training interventions, tourism businesses are equipped with the necessary skills to effectively participate and compete in the tourism industry. To promote transformation the Unit also partnered with the National Department of Tourism to create awareness regarding the changes to the BBBEE legislation. Workshops were held in Cape Town, Stellenbosch and George to inform businesses about the development of the Tourism Sector Codes in-line with changes in the legislation and to solicit input on the proposed changes. Tourism is among the few sectors that has its own Sector Codes.

During the 2014/15 financial year, business declaration forms were received from 81 tourism business which were assisted and indicated that 152 new jobs have been created from these businesses.

The Tourism HRD Unit focused on addressing the scarce and critical skills in the industry in order to increase the learners' chances of employability. Critical and scarce skills were identified in the CATHSSETA Sector Skills plan such as customer service, waitron, housekeeping, professional cookery, assistance chefs and travel consultants. The Unit focused on customer care training and assistant chef training for the 2014/15 financial year.

In order to make people more employable in the tourism and hospitality industry, they need to be provided with the appropriate skills and opportunity to work in the industry. The Tourism HRD projects were all aimed at theoretical and practical learnings with a total of 50 work placement opportunities facilitated.

During the 2014/15 financial year a total of 217 learners were exposed to training opportunities. A total of 46 learners completed the Assistant Chef Skills Programme through the Tourism FET Skills Programme in partnership with CATHSSETA-accredited FET Colleges. A total of 11 students were awarded a bursary through the Tourism Collective Bursary Programme where students are funded for their tuition fees towards a Higher Education Institution (HEI) in the following study fields, Tourism Management, Events Management, Hospitality Management and Graphic Design. In partnership with the National Department of Tourism and the Expanded Public Works Programme (EPWP), 48 learners were trained in Accommodation Services and Food and Beverage Management.

The Unit also provided the CATHSSETA accredited Customer Service Programme to 98 employees currently in the tourism and hospitality industry within the Western Cape towns of Bredasdorp, Cape Town, Swellendam, Paarl, Worcester and Robben Island in partnership with the private sector and municipalities. The Customer Services Training Programme responds to the need that customer service levels must be improved in order to match global service standards. This training programme attempts to alleviate the inconsistent service levels within the tourism and hospitality industry.

The Tourism Regulation Unit rolled out training interventions targeting registered Tourist Guides as per its legislative mandate. The purpose of these interventions are to ensure that tourist guides' skills are further developed which broadens their knowledge base and improves their employability. The interventions also meet the needs of and enhance the service offering to tourists so as to ensure repeat visits.

Interventions included social media marketing, tourist guide training and information sessions covering a wide range of topics from biomes to tax and marketing and were extremely well attended. One of the highlights of the tourist guide information sessions was a visit to Groot Drakenstein Prison and the residence of former President Nelson Mandela which offered a unique, memorable and informative experience to tourist guides. To keep up to date with new product offerings and exposing tourist guides to these, the Department has an annual partnership with Metrorail which enabled guides to experience the advantages of rail tourism. This year's event was held in February to celebrate International Tourist Guides Day and included a visit to a wine farm, wine tasting and other products in the Winelands District.

Awareness initiatives emphasise the importance of registration and aim to encourage tourist guides to register in order to be compliant in accordance with the Tourism Act 3 of 2014. The Act has altered the registration period from two years to three years with effect from June 2014.

The Inspection Programme focussed on awareness and compliance in order to curb illegal guiding activities in the Western Cape. The inspections contribute to a professional tourist guiding sector by creating awareness amongst the general public and visitors about the use of registered guides and ultimately create a positive image of the guiding sector. Furthermore, to ensure the safety of visitors, the Department partnered and engaged with other stakeholders within the same sphere, ensuring that industry is aware of and compliant with legislation.

Tourism Destination Marketing

Over the course of the financial year, many opportunities presented themselves that met our objectives and strategic intent. All these new opportunities ensured a high return on investment in measurable terms for e.g. increase in packages sold, increase in media exposure and awareness.

Some implementation highlights:

- The UAE market offered high value tourists and Wesgro signed a JMA with Qatar Airlines, reaching 25 000 staff with a target educational marketing campaign and their eight million social media fan base with a competition linked to a destination question.
- In terms of the North American market, Wesgro signed a JMA with Orbitz, an online travel agent. The objective was to see an increase in packages sold to the Western Cape over a specific time period. This partnership has allowed Wesgro access to insightful data around online consumer behaviour and to leverage the marketing campaign done by SAA at the same time.
- Wesgro's approach to event sponsorship ensured a full year of calendar events across the regions. Events are showing a great impact not only on the visitor numbers to the smaller towns, but also the positive effect on other sectors in those towns. Business events continue to show high return on investment, with the team ensuring good quality lead generation from shows and conversion rates in bidding. Once again, Wesgro's Convention Bureau received a clean audit from the BestCities Global Alliance.

Commercial Arts and Entertainment

Craft

The Commercial Arts and Entertainment sub-programme supports the Cape Craft and Design Institute (CCDI). During 2014/15, the CCDI piloted a Design Innovation Seed Fund and the Better Living Challenge – both initiatives support early stage design innovations to market. It also built on its measurable success by implementing a JobsFund project to the value of R14.5million, resulting in the creation of 451 jobs.

This recognition has made it possible for the organisation to consolidate and refine its product offering to the extent that it is dependable, adaptable, accessible and relevant to the over 5 522 creative enterprises registered on its database.

The organisation provides a holistic product offering, which includes both group and one-on-one services, and is able to service walk-in clients. The consolidation of the organisation and the building of internal expertise – assisted in 2014 by the move of the organisation into new office space with expanded training, meeting and product support facilities – also provide for follow-through and entrepreneurs are able to return for follow-up support which means they are able to make progress incrementally.

With an ever-increasing number of start-ups as well as the stability of existing enterprises registered with the CCDI, the demand for support and services continues and in fact is increasing as businesses reach different stages of development.

SA Tourism figures from 2013 show that 80% of foreign tourists spent in excess of R8 billion on shopping while in the country. The CCDI partnered with the V&A Waterfront to re-imagine the craft and design offering at the premier destination shopping centre. With an investment of R50 million in the refurbishment of the space, the Watershed was launched in 2014 and is an important market space with over 150 craft and design businesses trading within the Watershed.

While the Department's funds are primarily used to support enterprise and trade development in the sector through the CCDI's core programmes, namely Product, Market and Business Support, the funds also leverage additional value-add for the sector. For example, in the 2014/15 financial year a number of new projects and partners extended the scope and nature of activities of the CCDI adding to the existing core programmes and services. These include:

- The Design Innovation Seed Fund (supported by the Technology Innovation Agency with R5 million and the Department with R1.5million);
- The continuation of the e-Commerce project (funded by the dti) and aimed at creating an enabling environment for craft and design businesses to develop a commercial presence on the internet;
- The extension and increased up-take (six provincial departments) of the Give Green (110% Green) service to source gifts and conference items from local SMEs (funded by various departments);
- The launch of the Better Living Challenge aimed at surfacing design innovation for the low income home market (funded by the Green Economy and Department of Human Settlements);
- The very successful Make it New exhibition featuring the best of craft and design objects from the Western Cape was seen by close to 40 000 people at the Cape Town Stadium and the V&A Waterfront (funded by provincial Department of Cultural Affairs and Sport, national Department of Arts and Culture and the World Design Capital 2014 implementing agency, CT Design).

Film and Media

As the strategic driver for film, the Department signed a three year MoU with the National Film and Video Foundation (NFVF) in 2013. Through the partnership the following will be established:

- The identification of economic opportunities, with regard to local film and media sector development;
- The identification of opportunities and services to enhance development in the film and media sector;
- General co-operation with regard to marketing and trade investment promotion in the film and media sector; and
- Specific co-operation with regard to events, markets and festivals in the film and media sector.

During 2014 Wesgro promoted Cape Town and the Western Cape as a film destination at the Cannes Festival. This was to galvanise the NFVF partnership. There was an additional series of meetings, and joint marketing opportunities with the NFVF showing the national-provincial alignment. These included DISCOP Joburg, South African Film and Television Awards, support for NFVF Roadshow, NFVF research for animation sector and some International Emmy Jury recommendations.

Some of the film and media-related red tape issues facilitated by Wesgro during 2014/15 include:

- Visa issues with industry: There was the announcement in December 2014 of the Film Industry Visa Assistance deviation (FIVA).
- Wesgro Film and Media unlocked locations when required by facilitating meetings with stakeholders. The Good Hope Centre is one such City asset which went to tender for film use – results to be announced.
- Wesgro worked with SA Tourism on an India locations marketing pamphlet in conjunction with other provinces.

Wesgro supported the Kunjani'Mation and Encounters Film Festival's EDP3 Film programmes and the aligned business-to-business networking opportunities. Wesgro supported the dti missions and events that were in the film business plan and also led a multi-sectoral mission to Nigeria and Ghana that included film. Moreover, Wesgro Film and Media participated in exploratory marketing missions that included the Beijing Film Festival (China).

Wesgro supported exporter development programmes which were aimed at up-skilling producers who attended the Rio Content Market (Brazil), the Berlin Film Festival/European Film Market (Germany), International Documentary Festival Amsterdam/Forum (The Netherlands), American Film Market (USA), International Film Festival Rotterdam/CineMart (The Netherlands), and Tribeka (USA). These events were widely supported by the dti, the Association of Television and Film Transformation and the Documentary Filmmakers Association.

Furthermore, various other film producers were up-skilled via Wesgro's support of the Encounters Film Festival, and the Kunjani'Mation festival with its Pop the Culture master classes. A joint support with the Commercial Producers Association and South African Stills Photographer Locations Conference helped the film industry.

Companies were also supported by the Exporter Development Film programme through business-to-business meetings at Kunjani'Mation and an inbound mission of French animation producers in conjunction with Animation SA and the French Institute. Lastly, the Loeries event, the third and final one of the three year contract with the Province, was a success.

Outcome indicator		Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Tourism Planning					
1.1	Qualitative and Quantitative profiles for Tourism, Arts and Entertainment	1	1	1	
Sub-programme: Tourism Growth and Development					
2.1	Value of tourism infrastructure investment	R15m	R2.5m	R3.2m	This was the value requested from NDT and was successful to the full value requested.
Sub-programme: Tourism Sector Transformation					
3.1	Number of learners who have increased skills for employability	-	50	43	Feedback is based on learners placed at host companies. Unfortunately not all learner profiles were completed timeously by mentors.
3.2	Tourism Enterprise Development: Number of businesses expanded	-	100	70	While DEDAT's programmes focus on supporting small businesses in tourism with training and mentorship, these businesses require more support like access to markets and funding to enable growth.
Sub-programme: Tourism Destination Marketing					
4.1	Number of international arrivals to the Western Cape	691 862	1 200 000	No data available	Unfortunately 2013 is still the only Western Cape data we have available at present. SA Tourism has conveyed that they are experiencing challenges with data collection and modelling which have delayed the release of their 2014 data.
4.2	International Foreign Direct Spend	R8.5bn	R8.5bn – R13bn	No data available	Unfortunately 2013 is still the only Western Cape data we have available at present. SA Tourism has conveyed that they are experiencing challenges with data collection and modelling which have delayed the release of their 2014 data.
4.3	Number of domestic visitors	1.129m	1.62m	No data available	Unfortunately 2013 is still the only Western Cape data we have available at present. SA Tourism has conveyed that they are experiencing challenges with data collection and modelling which have delayed the release of their 2014 data.

Outcome indicator		Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Commercial Arts and Entertainment					
5.1	Craft trade promotion: Value of trade	R2.651m	R2m	R4.044m	More trade opportunities arose which led to an in- crease in sales.
5.2	Craft enterprise Development: Number of businesses expanded	98	80	71	The transition from a manual to an electronic system has brought about a few chal- lenges that have hampered the number of outcome evidence and the surveys are not signed. There was a lack of comparable information on the survey forms because not all the crafters could be counted as there was no evidence to validate business expanded.
5.3	Craft sector development support: Value of funding leveraged	R6.233m	R5m	R7.762m	There were opportunities that were available and were awarded to CCDI.

Performance indicators and targets

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Tourism Planning					
Provincial Specific Indicators					
1.1	Number of members engaged in the WC Tourism, Arts & Entertainment Partnership	440	300 - 500	816	Additional engagements with the WC Tourism, Arts and Entertainment Partnership were scheduled resulting in more people attending.
1.2	Number of Strategic support interventions for Tourism, Arts& Entertainment	1 annually updated sector strategy 2 position papers	5-year review and development of 5-year Tourism, Film and Craft growth strategies	5-year review and development of 5-year Tourism, Film and Craft growth strategies	

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Tourism Growth and Development					
Provincial Specific Indicators					
2.1	Number of infrastructure projects supported	1	1	1	
2.2	Number of tourism products supported/ developed (niche markets, route development)	2	2	2	
2.3	Tourism Support Services: Number of tourism establishments/ individuals supported/ Assisted	225	160	210	Increase in number of road signage applications received in the 2nd and 3rd quarters. Increase in distribution of Travel Tips (there were more platforms for distribution in the 1st and 2nd quarter, As well as more demand for travel tips from industry).
Sub-programme: Tourism Sector Transformation					
Provincial Specific Indicators					
3.1	Tourism HRD: Number of people trained	591	190	217	The partnership with the National Department of Tourism to roll out the Tourism Ambassador Programme resulted in more people being trained.
3.2	Tourism HRD: Number of learners placed	-	50	50	
3.3	Tourism HRD: Number of bursaries awarded	-	10	11	The Tourism Collective Bursaries awarded are a result of the amount of current bursary holders who applied and have been successful.
Sub-programme: Tourism Planning					
Provincial Specific Indicators					
3.4	Tourism Enterprise Development: Number of businesses assisted	513	500	504	There was an increased interest in training and more business participated.
3.5	Tourism Regulation: Number of individuals registered (tourist guides)	1 477	1 000	1 666	Although renewal notices are distributed and awareness created through interventions, the Unit has no control over the number of tourist guides who register or renew.
3.6	Tourism Regulation: Number of tourist guides developed	-	410	512	The Registration Office formed a partnership with a stakeholder and presented an information session for tourist guides. Interventions are very popular amongst tourist guides and are often oversubscribed.
3.7	Tourism Regulation: Number of individuals/ tourism related businesses inspected or monitored (tourist guides)	1 108	1 000	1 044	The Unit conducted additional inspections with other state entities such as the Transport Board as well as the Provincial Traffic Department to ensure compliance.

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Tourism Destination Marketing					
Provincial Specific Indicators					
4.1	Number of Joint Marketing Agreements (JMA) secured	11	3	13	Additional JMA opportunities were identified.
4.2	Number of conference bids secured	23	16	16	
4.3	Number of events supported	37	20	29	Additional event sponsorship opportunities were identified to help combat seasonality.
Sub-programme: Commercial Arts and Entertainment					
Provincial Specific Indicators					
5.1	Film marketing, trade and investment promotion: Number of businesses assisted	68	25	76	Extra opportunities were available to assist businesses through workshops.
5.2	Craft trade promotion: Number of businesses assisted	400	157	511	There was an opportunity to promote businesses on various trade promotion platforms, therefore CCDI overachieved.
5.3	Craft enterprise Development: Number of businesses assisted	1 164	305	1 528	There was an increased interest and participation in the enterprise and innovation programmes as businesses seek to become more competitive.
5.4	Craft Sector development: Number of new members	295	50	358	The craft industry has become and proven to be a lucrative sector for economic growth and participation and so too has CCDI proven to be a sustainable development tool for the industry.
5.5	Number of economic intelligence reports (film and craft)	2	2	2	

Linking performance with budgets

During the 2014/15 financial year, an amount of R45.137 million was appropriated to the programme. Of this, compensation of employees accounted for R12.738 million, goods and services R3.660 million, transfers and subsidies R28.600 million, payments for capital expenditure R124 000 and payments for financial assets R15 000.

In this regard, compensation of employees accounted for 28.15% of the programmatic expenditure.

Goods and Services accounted for 8.10% of the final expenditure of the Programme. The Goods and Services allocation was spent primarily to increase transformation and participation by citizens of the province to actively contribute to the tourism industry through the provision of employment opportunities and business ownership.

Part of the service delivery basket for Tourism Sector Transformation included facilitating work opportunities in the targeted sectors through enterprise development and human resources development. An allocation of R1.967 million was provided to assist/train businesses and to register tourist guides. Tourism Regulation registered 1 666 tourist guides in accordance with the provisions of the Tourism Act of 1993. It also provided support to 504 tourism businesses through the following interventions: Tourism Businesses Skills, Social Media training, E-marketing programmes and Tourism Mentorship Programme.

Payments for Transfers and Subsidies (amounting to R22 million) to Wesgro were provided to increase visitor arrivals and spend in the Western Cape through maximising international and domestic marketing opportunities with a focus on leisure tourism, business tourism and events. Funds were also allocated to encourage more individuals and businesses to expand and sustain their existing businesses through film and craft innovation.

Payments for Capital Assets included an amount of R123 000 for the purchase of additional computers and desktops.

Sub-programme expenditure

Sub-programme Name	2014/15			2013/14		
	Final Appropria- tion	Actual Expen- diture	(Over)/ Under Expen- diture	Final Appro- piation	Actual Expen- diture	(Over)/ Under Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000
Tourism Planning	4 198	4 198	-	3 863	3 863	-
Tourism Growth and Development	3 135	3 110	25	4 838	4 838	-
Tourism Sector Transformation	9 234	9 231	3	8 702	8 702	-
Destination Marketing Organisation	22 000	22 000	-	22 600	22 600	-
Commercial Arts and Entertainment	6 570	6 560	10	7 551	7 551	-
Total	45 137	45 099	38	47 554	47 554	-

4.7 PROGRAMME 7: SKILLS DEVELOPMENT AND INNOVATION

Purpose

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

The Programme's purpose feeds into the vision of the National Skills Development Strategy (NSDS) III: "A skilled and capable workforce that shares in, and contributes to, the benefits and opportunities of economic expansion and an inclusive growth path" (Department of Higher Education and Training, 2011).

Programme structure

The Programme is structured as follows:

- Sub-programme 7.1: Provincial Skills Co-ordination
- Sub-programme 7.2: Workforce Development
- Sub-programme 7.3: Innovation

Service delivery objectives and indicators

The Western Cape Government believes that increased economic growth and employment would substantially contribute to addressing the many community and social challenges facing the Province.

Achieving higher levels of economic growth, requires a dynamic approach to the global economy, international trade policies, industrial and labour relations and the ever growing complexity of the work place. All of these further require innovative ways of improving our productivity, competitiveness, and innovation as a nation. Complementing these elements is the ingredient of an appropriately skilled workforce that has the flexibility and capacity to speedily adjust to the rapid changes in the economy.

It is a known fact that a capable and skilled workforce is essential for a productive and resilient economy, especially under conditions of increasing international competition. Skills development initiatives should therefore be targeted at as wide a possible array of interventions, noting that in the modern economy there is a decline of routine manual occupations and a growth of jobs with more demanding requirements.

An educated workforce with high levels of competencies and diverse aptitudes enable firms to secure progressive improvements in productivity, adaptability, ingenuity and creativity. These attributes also expand the use, experience, and transferability of employees between industries and sectors. Highly qualified, knowledgeable and talented workers further contribute to innovation and technological progress.

At the sector level the competitiveness of industries broadly involves the attraction of foreign investment and includes the extent of reinvestment and growth by domestic companies. Competitiveness also includes productivity or performance to reflect the longer-term challenges of high unemployment and environmental problems facing the province.

Our reality

The National Development Plan for South Africa highlights that approximately 29% of the South African population is between the ages of 15 and 29. According to the National Development Plan, this cohort of the population is a potential asset to the country if harnessed correctly. However the same asset could also be a destabilising factor, under a high unemployment scenario.

Statistics South Africa's second Quarterly Labour Force Survey of 2014 estimates that approximately 5.1 million of the economically active South African population is unemployed. In the Western Cape the unemployment rate is estimated at 23.5% or in absolute numbers, approximately 675 000 people. Of the unemployed in the Western Cape, approximately 70% can be considered as youth.

Contributing factors to the high levels of youth unemployment include: low education attainment levels; high secondary school drop-out; wrong subject offerings and choices; and generally most young people are inadequately prepared for the world of work and employment.

The inability of the economy to absorb youth into employment results in delays in affording young people an opportunity to strengthen their existing skill sets. Furthermore, young people often apply ineffective methods of finding employment, which can partially be attributed to a lack of social networks and support to access training and up-skilling opportunities.

Skills development initiatives

Improving the skills base of the province is therefore an important strategy to influence economic growth and increase the number of skilled people available to the economy. Efforts to achieve this, however, require on-going improvement in coordination, planning and the implementation of skills development initiatives amongst government (national, provincial and municipal), business, skills providers (e.g. TVET Colleges, Higher Education Institutions and private providers), the Sectoral Education and Training Authorities (SETAs), civil society and labour.

Even though these stakeholders may have different mandates, they have found that an area of common interest to them is the issue of developing the human resource capacity of the country and as a consequence, the socio-economic betterment of communities.

In support of these objectives, the Province has embarked on: the establishment of credible institutional mechanisms to drive the coordination; planning and delivery of skills development initiatives; developing plans to achieve these objectives; leveraging funding and other stakeholder efforts; and improving the employability of young people through the training and placement of youth in industries to gain work place experience.

Credible institutional mechanisms

The establishment and maintenance of the Premier's Council on Skills (led by the Premier) with its ancillary implementing technical workgroups (Provincial Skills Forum; Artisan Development, e-Skills; Work Integrated Learning; Career Awareness etc.) have been instrumental in charting a collective skills development agenda for the province.

The continued functioning of the Provincial Human Resource Development (HRD) Council (previously known as the Premier's Council on Skills) and its project-based technical workgroups, aim to find the necessary synergy in skills interventions across a number of stakeholders and ways to resource and work in a collaborative manner. To ensure that the various stakeholders deliver in a collaborative manner, the Provincial HRD Council in previous financial years mandated the various working groups to develop strategic and operational plans. The drafting of the strategic skills development plans is important as it aligns stakeholder energies and resources towards a set of common goals and purpose.

Leveraging off partnerships

Leveraging funds for skills development programmes from individuals, government, private sector corporates locally and/or internationally and complementing or extending partner efforts along the skills development pipeline, enable the various role players in the skills development space to extend its reach and number of beneficiaries.

Improving employability

Many young people, when they exit the formal education environment, are considered by industry as not being "work ready". This is not a South African or Western Cape challenge only. However around the world, governments and businesses face a conundrum: high levels of youth unemployment and a shortage of job seekers with critical skills. How can a country successfully move its young people from education to employment? What are the challenges? Which interventions work? How can these be scaled up? A common challenge expressed by stakeholders is that "work readiness" of youth is currently a huge problem.

Research conducted by Harambee, however, has shown that first-time work seekers who gain work experience, have greater chances of finding temporary or permanent employment opportunities.

The Department dealt with two outcomes, namely "the number of learners who have increased employability, and the number of persons trade tested" in a manner aimed at placing youth with companies to gain work place experience.

Increased levels of employability in beneficiaries are determined through a number of factors, which include: counting the number of young persons who initially have been provided with temporary work opportunities; those that have been provided with an introductory industry demand training opportunity together with work placement; and lastly temporary work placement opportunities that turn into permanent employment.

Outcome indicator		Baseline (Actual outcome) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Provincial Skills Co-ordination					
1.1	Strategic Frameworks for priority skills development sectors/ enablers	1	3	3	
1.2	Value of interventions implemented/facilitated	-	R20m	R21.785m	Additional funding towards the Occupational Readiness Programme project resulted in an over achievement on this target.
Sub-programme: Workforce Development					
2.1	Number of learners who have increased skills for employability	-	700	826	Learners are placed over financial years and the numbers include those exiting placement in 2014/15. Added to this, learners sometimes find jobs which support the sentiment that employability has increased.
2.2	Value of funding leveraged	R76.7m	R24.695m	R30.598m	The funds leveraged from Transport Seta and host companies, supplementing stipends/ training/ protective wear.
2.3	Number of people trade tested	-	-	33	Due to early placements in 2013/14 some interns completed their 18 month work placement phase and have successfully passed their trade tests
Sub-programme: Innovation					
3.1	Value of funds leveraged	-	R200 000	R1.5m	Target was over achieved based on a business case in partnership with various national government departments.

Performance indicators and targets

Improved coordination in planning and implementing skills development projects require engagement with relevant stakeholders. These engagements are not only measured by their number but also as to how they translate into commitment from stakeholders to participate in and co-fund the implementation of skills development initiatives.

The number of engagement/forums resulted in a total of 16 in 2014/15; include the quantity of formal forums, workshops or meetings held amongst relevant stakeholders within the province where the critical objective was to address the different requirements of the skills development environment. These engagements included the Premier's Council on Skills (PCS), Technical Workgroups of the PCS, e-Skills Workgroups, etc.

The Premier's Council on Skills

The Premier's Council on Skills in Saldanha Bay Municipality, on 30 September 2014 focused on Artisan Development.



This PCS raised awareness of the economic projects poised to change the economic landscape of the West Coast and the Western Cape in general. These include, amongst others:

- The Saldanha Industrial Development Zone (IDZ), the declaration of a Free Economic Development Zone,
- Strategic Infrastructure Projects that seek to develop the economic corridor between Sishen (Northern Cape) to the Port in Saldanha Bay corridor;
- The Special Economic Zone, or Renewable Energy Hub along the West Coast;
- The emergence of a strong presence of an Oil and Gas Industry, maintaining and repairing oil rigs destined for the West Coast of Africa; and
- The development of a pipeline aimed at bringing compressed liquid gas on land to reduce the high electricity costs, which have implications for the competitiveness of South African industries.

In 2014/15 the PCS also focussed in particular on artisan development and the technical skills required to support the Oil and Gas and Marine Repair industries.

All of these developments have profound implications for employment and given the nature of the employment, it is expected that these will mainly be in the manufacturing, construction, agriculture and aquaculture, hospitality and tourism and services sectors of the economy. A skilled work force is therefore required to adequately service the current industries and to prepare for the industries that would be located on the West Coast.

In addressing the more pressing skills requirements of industry and to have the requisite impact on the skills landscape, the Skills Development Programme along with industry, the national departments of Labour, Cooperative Governance and Traditional Affairs and Higher Education, the Sectoral Education and Training Authorities (SETAs), the provincial departments of Local Government, Education and Social Development, and the district municipalities with its local municipalities, the South African Oil and Gas Alliance and the Saldanha IDZ Licensing Company have all embarked on a pilot project to recruit 1 000 youth to be trained in the artisanal and associated occupations.

Occupational Readiness Programme

An opportunity of hope was presented to youth, and in particular those that have dropped out of the schooling system, in the form of a bridging programme that aims to strengthen participants' abilities for formal learning focused on demand led skills. One thousand unemployed youth not in education, training and employment were recruited. Of this total, approximately 300 learners were fast-tracked into funded formal Technical Vocational Education and Training (TVETs) college courses. Up to 700 youth with a minimum of Grade 9 to 11 were enrolled for the Occupation Readiness Programme (ORP) and exposed to training modules developed as bridging curricula with the help of the Departments of Higher Education and the Western Cape Department of Education (WCED) in Mathematics, Science and Industrial Communication.

The partnerships established were pivotal in the roll-out and the success of the ORP. Partnerships were established with various role-players including National, Provincial and Local Government and industry that assisted in the roll-out of the recruitment, selection, curriculum development, training and identifying of exit opportunities to establish a career path for the youth into local demand-led trades and occupations. Learners have exited from Atlantis, Piketberg, Vredenburg and Vredendal campuses.

The learners have been matched with exit opportunities related to trades and occupational skills. These opportunities include entry into formal artisanal and occupational studies including learnerships and accredited skills programmes.

The Skills Development Programme has partnered with Higher Education Institutions, TVETs, SETAs and business to ensure increased access to training and skills development opportunities.

e-Skills Platform

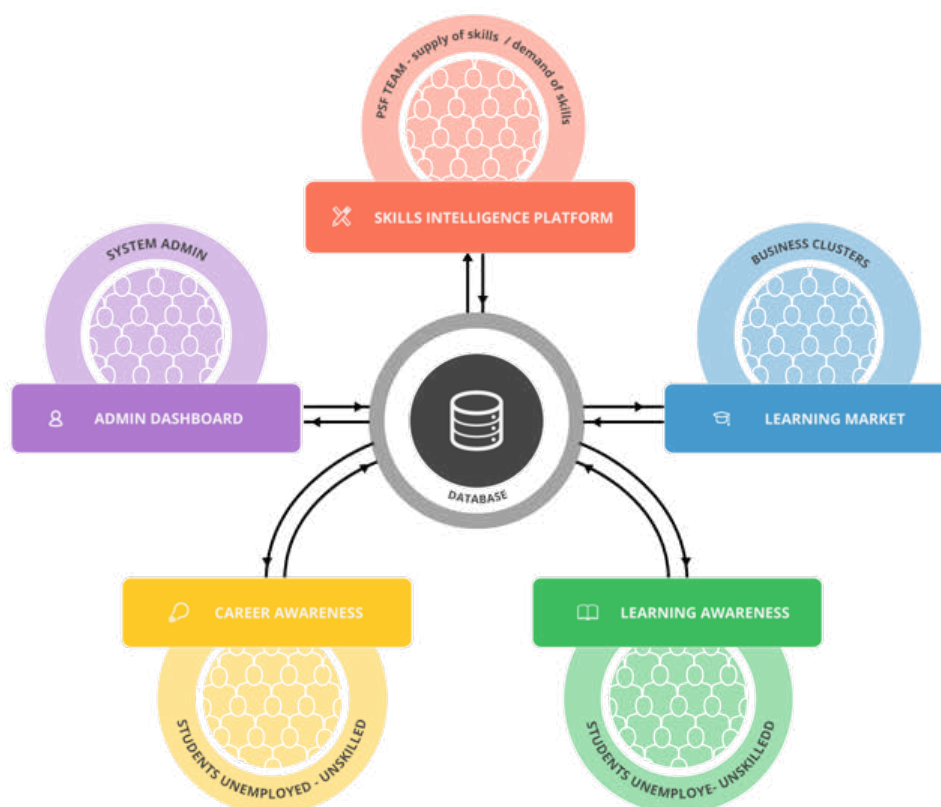
The Provincial HRD Council identified the development of an Information Technology-enabled Skills Intelligence Platform (SIP) as one of the primary mechanisms to assist the co-ordination, dialogue and direction of skills interventions across the Western Cape. Furthermore, it incorporates a Learning Management System (LMS) to share skills development programmes with citizens through the fostering of a producer-learner relationship. This will go a long way to address related shortages in the availability of skills development content in the Western Cape and South Africa.

Through this platform, the Provincial HRD Council will be able to reach and engage all stakeholders beyond the constraints of the physical stakeholder forums and reach a wider audience in real-time, thus gathering information on the supply and demand of skills development in the Western Cape on a far broader scale.

The SIP will enable facilitation, collaboration and communication between stakeholders through:

- Providing the ability to widely engage stakeholders on skills challenges;
- Allowing for idea generation, evaluation and collaboration;
- Linking up geographically-spread stakeholders;
- Allowing for the creation of and discussion on skills initiatives;
- A repository for information around projects/initiatives; and
- Heightened business intelligence around skills demand and supply.

Below is a graphical depiction of the e-Skills Platform.



The SIP is now ready to be tested amongst a select group of members of the Provincial HRD Council before it is officially launched live to the public. Similarly, the LMS will be entering a testing phase in May 2015. The testing phase will allow the developers to solicit input from stakeholders for refinement of the platform, based on the way the users interact with the platform and each other through the platform. This is in line with the agile methodology that the project has followed since inception, which necessitates constant updating and iterations of the development cycle.

Learning Management System (LMS): The LMS will be a content management system focused on providing an e-learning platform. The LMS is fundamentally a system to facilitate learning via an online learning platform. The platform will aggregate online learning content, provide practical cases to support online learning, provide validation for skills learnt and connect learners to real work situations.

Career Awareness Platform: The third phase which is the development of a Career Awareness Platform (CAP) has already started and the platform will promote careers in the priority areas of the Western Cape economy. This will be an electronic or web based platform developed to enhance collaboration with stakeholders. The CAP's main objective is to address the need of the citizens of the Western Cape to find fulfilling work aligned to their skills level. To achieve this goal, this platform must identify the social and skills level for each user; create a career wizard to match users to skills development programmes, online learning content and mentors. Furthermore, this platform will provide coaching and guidance regarding career awareness and match users to job opportunities. This will be developed during the next phase of the e-Skills project in collaboration with national government.

The table below reflects the reporting against specified targets:

Performance indicator (Output)		Baseline (Actual output) 2013/14	Actual performance against target		Reason for variance
			Target 2014/15	Actual 2014/15	
Sub-programme: Provincial Skills Co-ordination					
Provincial specific indicators					
1.1	Number of collaborative skills interventions supported	4	5	10	The inclusion of the ORP resulted in additional collaborative agreements being entered into with key partners to deliver on the objectives of the project.
1.2	Number of engagements, forums and events	14	15	16	The ORP project resulted in additional engagements being necessary.
Sub-programme: Workforce Development					
Provincial Specific Indicators					
2.1	Number of people trained: Life-skills & Job Readiness Training (Work&Skills)	1 241	750	1 405	Demand for life skills increased to meet demand of learners to be placed in industry.
2.2	Number of people trained: Technical Skills Training (Work&Skills)	-	700	1 199	Demand for technical training increased, based on matching demand from industry with supply of learners.
2.3	Number of people placed with host companies (Works&Skills)	1 099	750	1 311	Demand for placement increased across various regions, with demand from mainly labour absorbing industry.
2.4	Number of host companies matched to Work&Skills	65	150	53	The host companies increased the number of learners to be placed per company, reducing the number of companies overall as the target of people placed was over-achieved with the companies enrolled.
2.5	Number of people placed in host companies: Artisans	202	200	187	The programme runs over two financial years and the 200 is a continuation from 2013/14, with additional beneficiaries added to accommodate drop outs. Some learners have completed, while others are awaiting trade tests.
Sub-programme: Innovation					
Provincial Specific Indicators					
3.1	Number of working groups for the Regional Innovation Network	1	1	1	

Workforce Development

Artisan Development Programme (ADP)

The ADP's purpose is to increase the number of qualified artisans in the Western Cape and enhance the quality of skills transfer in both TVET Colleges and the private sector.

The Programme is based on the National Skill Development Strategy III and incorporates the linking of supply and demand for artisanal skills within the Western Cape. This has been achieved by taking unemployed, trade-related learners who have completed at least their theoretical qualifications and then ensuring they completed the practical Competency Based Modular Training (CBMT) programme to enhance their productive practical skill sets before entering the workplace experiential phase.

Learners who successfully completed this CBMT phase are placed with appropriate host companies for a minimum period of 18 months to gain the necessary workplace experience to access the National Trade Test.

There are presently 125 registered trades on the Organised Framework of Occupations that cover amongst others: manufacturing, engineering, construction and tourism and hospitality. Together with these trades an estimated 840 occupations related to the trades exist. All of these sectors offer attractive opportunities for skills development and artisan employment.

The artisan training intervention initially started in 2012/13 and is aimed to explore the value of localised skills development strategies and holds the potential impact of national strategies on local public service education and training provision. The Artisan Development Programme or experiential learning programme aligns to the country's Human Resource Development Strategy for South Africa (HRDSSA II) and National Skills Development Strategy III (NSDS III) in that the programme addresses two commitments: to overcome the shortages in the supply of people with the priority skills; and to increase the number of appropriately skilled people to meet the demands of our current and emerging economic and social development priorities.

To achieve this objective, the Department has partnered with TVETCs, SETAs and Business to ensure increased access to training and skills development opportunities.

To further increase the quality and quantity of artisanal development within the Western Cape, a number of other projects have been identified, each of which have allowed the Department to leverage funding for further development in collaboration with strategic partners.

Work and Skills Programme

The Work Force Development sub-programme has also been actively involved in facilitating Life Skills and Job Readiness training at the work placement of the beneficiaries of the Programme.

The Work and Skills Programme has been able to create learning and work placement opportunities for unemployed youth in the Western Cape's economic sectors in order to improve the future employment prospects of participants between the ages of 18-34 years.

Beneficiaries of the Programme are placed at companies for a period of maximum 6 months. During this period beneficiaries are provided with technical and soft skills training in the context of work experience. The Work and Skills Programme places mostly first-time entrants with host companies and offers an exit strategy to learners who successfully complete the programme.

The objective of this exercise is to improve the employability of participants through incentivised workplace experience. The Work and skills programme covers both the Occupations and Trades.

Beneficiaries of the Programme are exposed to job readiness training, which include the delivery of awareness of the contractual obligations and rights, roles and responsibilities of parties at a place of work. The over-achievement on the life skills and job readiness training was as a result of increased placement opportunities and funds leveraged through the Development Bank of Southern Africa's Jobs Fund. This effort was further supported by other role players such as the provincial banker (Nedbank) that provided financial literacy training.

In 2014/15, The Skills Development Programme, after consultation with all host companies and TVET Colleges, agreed on the type and the timeline for providing industry / demand-led training to beneficiaries of the Work and Skills Programme. Beneficiaries received occupationally directed training to ensure that they were skilled and competent to work within the sectors they were placed. The training offered ranged from: Hospitality, Office Management, Health and Safety, Production, Operations, Marketing, Quality Assurance, Information Communication Technology, Farm management and tailor-made courses as applicable. A total of 1 199 youth have completed the technical training during the 2014/15 financial year.

The Work and Skills Programme aims to gradually meet the demand for skilled labour by providing a matched labour supply, across various regions of the Western Cape:

- "The Cape Metro has the highest levels of youth unemployment in the province. The youth are over-represented among the unemployed perhaps due to their lack of experience and skills." (MERO, 2014). Thus, the Cape Metro had the largest number of youth placement in Work and Skills, followed by the Overberg, West Coast, Eden, Central Karoo and Winelands.
- The West Coast District (WCD) has been the slowest growing region in the Western Cape. Increasing employability of youth is vital in this region as unemployment is a serious problem in the region, as youth unemployment represents 39.3%.
- The Cape Winelands District economy has a strong agriculture base, services industries and tourism. The placements in Work and Skills mirror these latter sectors.
- The Overberg has a strong, manufacturing, agribusiness, tourism, financial and business service sectors, of which the majority of Work and Skills learners have been placed in agribusiness and tourism.
- The Eden region has placed learners in hospitality, construction and furniture and thus in line with the (MERO, 2014) findings.
- Work and Skills learners in the Central Karoo are placed mainly in municipalities with the aim of skilling them for the business networks in the area.

South Cape with the George Municipality, George Museum and George Tourism Bureau have been major stakeholders in assisting with recruiting, selecting and placing unemployed youth into small and medium business.

In the South Cape, the main demand was in George in two sectors, namely Tourism and Agriculture. The tourism sector has many supporting industries, including hospitality, construction and furniture, in which the Work and Skills learners are placed during their 6-month period of work experience. The companies in the area have expressed a high employability and retention rate for learners in their own company or networks, with one learner having started his own business. These industries supporting tourism assist development of skills in mainly labour-intensive occupations and back up research from the MERO (2014): "Going forward, further skills development as well as low-skilled labour intensive initiatives is necessary to stimulate employment."



Trainee Chef Mathabo Raselo, aged 20 at the Fancourt Golf Estate. She says her career aspirations are to "work on cruise ships and starting her own chef academy".



Beneficiaries of the Work and Skills (hospitality and tourism sector) with the DEDAT Work and Skills Team in George. The learners were placed with the company Interface by Goji and rotated to various restaurants and bed and breakfast establishments to gain work experience.

The increased uptake of youth into employment has also provided them with the requisite skills, mentorship and training which has been the result of hard work to better coordinate stakeholders (TVET colleges, district and local municipalities as well as various business leads, SETA-designated companies and community-based organisations) to secure the demand of business and supply of eligible beneficiaries.

The Work and Skills Programme has facilitated 653 jobs which included peri-urban and rural areas such as Hermanus, Van Rhynsdorp and Bredasdorp, amongst others. In these towns four companies (Abagold, HIK, MPOWER Recycling and Floraland) facilitated over 200 jobs between them.

MPOWER Plastic Recycling Plant in Van Rhynsdorp recycles plastic materials to manufacture plastic products like refuse bags, agricultural sheeting and plastic bottles. Public private partnership (Tronox, local government and University of Stellenbosch, amongst others) is key to the recycling plant's growth and development.

Abagold and HIK in Hermanus produce abalone, and export canned and dried abalone all over the world.

Floraland, in Bredasdorp, specialises in processing and packaging dried flowers mainly for international markets, such as the Netherlands.

Key to achieving the job rates in these areas were good selection, mentorship, matching, growth of business and that learners had increased their employability around aspects such as: communication that contributes to productive and harmonious relations between employees and customers, teamwork and problem-solving that contribute to productive working relationships.

The type of jobs in which the learners are placed in the agribusiness and manufacturing sectors are operators, health and safety officers, disease controllers, storeroom managers, packers, sorters, dyers of flowers and quality controllers.

Innovation

For 2014/15 the Regional Innovation Network completed a draft regional innovation measurement metrics. The RIN Steering Committee commissioned a baseline study to identify common indicators that measure the health of an innovation ecosystem. This is being undertaken in collaboration with a variety of partners including the Human Science Research Council, the Department of Science and Technology and would potentially include local academic institutions.

Key additional projects supported by leveraged funding include the development of a comprehensive innovation and funding website and building a collaborative innovation fund amongst public and private funders.

Linking performance with budgets

During the 2014/15 financial year, an amount of R43.024 million was appropriated to the Programme. Of this, Compensation of Employees accounted for R8.363 million, Goods and Services R17.097 million, Transfers and Subsidies R17.484 million, payments for Capital Assets R77 000 and Payments for Financial Assets R3 000.

In this regard, Compensation of Employees accounted for 19.44% of the total final expenditure.

Goods and Services accounted for 39.72% of the total final expenditure of the Programme. The main contributors to spending were the Provincial Skills Coordination and Workforce Development sub programmes. The Goods and Services allocation of R2.313 million to PSC was for the e-Skills Project which would promote communication on skills development initiatives and interventions; provide much needed career awareness and the introduction of e-learning content and learner management initiatives to drive self-empowerment to achieve academic progress and excellence.

With regards to Workforce Development, an allocation of R32.753 million was given to increase the number of appropriately skilled people to meet the needs of the economy.

Payments for Transfers and Subsidies accounted for 40.64% of the total final expenditure of the Programme; Funds were transferred to South African Oil and Gas Alliance (R7.871 million) to bridge the gap between supply and demand across selected sectors through the Artisan Development Programme where the programme provided a basis to prepare young people to acquire the technical proficiency required in the main for improving productivity, and hopefully over time, the competitiveness of our manufacturing sector. During the same period funds were transferred (R8.152 million) for stipends for the Work and Skills Programme which aims to skill the youth in the Province and eventually increase their employability.

Sub-programme expenditure

Sub-programme Name	2014/15			2013/14		
	Final Appropria-tion	Actual Expen-diture	(Over)/ Under Expen-diture	Final Appropria-tion	Actual Expen-diture	(Over)/ Under Expen-diture
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Skills Coordination	5 639	5 637	2	12 350	12 350	-
Workforce Development	32 753	32 752	1	20 429	20 429	-
Innovation	1 292	1 288	4	1 239	1 239	-
Management: Skills Development and Innovation	3 340	3 338	2	2 140	2 140	-
Total	43 024	43 015	9	36 158	36 158	-

5. SUMMARY OF FINANCIAL INFORMATION

5.1. Departmental receipts

Departmental Receipts	2014/15			2013/14		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	25 000	27 411	(2 411)	24 000	28 328	(4 328)
Casino taxes						
Horse racing taxes						
Liquor licences	25 000	27 411	(2 411)	24 000	28 328	(4 328)
Motor vehicle licences						
Non Tax Receipts	6 074	10 303	(4 229)	270	3 253	(2 983)
Sale of goods and services other than capital assets	270	436	(159)	270	388	(118)
Transfers received	500		500			
Fines, penalties and forfeits						
Interest, dividends and rent on land		3	(3)		14	(14)
Sale of capital assets						
Financial transactions in assets and liabilities	5 304	9 871	(4 567)		2 851	(2 851)
Total	31 074	37 721	(6 640)	24 270	31 581	(7 311)

5.2. Programme expenditure

Programme Name	2014/15			2013/14		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	35 556	35 529	27	33 249	32 098	1 151
Integrated Economic Development Services	59 622	59 269	353	50 007	50 007	-
Trade and Sector Development	236 595	235 959	636	129 828	124 240	5 588
Business Regulation & Governance	49 123	49 123	-	41 481	41 481	-
Economic Planning	41 239	41 014	225	34 696	34 690	6
Tourism, Arts & Entertainment	45 137	45 099	38	47 554	47 554	-
Skills Development & Innovation	43 024	43 015	9	36 158	36 158	-
Total	510 296	509 008	1 288	372 973	366 228	6 745

5.3. Transfer payments to public entities

The table below reflects the transfer payments made for the period 1 April 2014 to 31 March 2015.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
		R'000	R'000	
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Wesgro is the official Destination Marketing, Investment and Trade Promotion Agency for the Western Cape, located in Cape Town	R19 235	R19 235	See Part B Programme 3: Trade and Sector Development
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	To support the Saldanha IDZ Programme	R31 091	R31 091	See Part B Programme 3: Strategic Initiatives
Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro)	Wesgro is the official Destination Marketing, Investment and Trade Promotion Agency for the Western Cape, located in Cape Town	R24 500	R24 500	See Part B Programme 6: Tourism, Arts and Entertainment
Western Cape Liquor Authority (WCLA)	The WCLA is responsible for the regulation of the micro-manufacturing and retail sale of liquor by liquor license holders, the reduction of illegal liquor trading and the promotion of responsible use of liquor within the Western Cape	R38 241	R38 241	See Part B Programme 4: Business Regulation and Governance

5.4. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2014 to 31 March 2015.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38(1)(j) of the PFMA?	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Programme 2: Integrated Economic Development Services						
National Empowerment Fund	Schedule 3 (A)	ED Loan Fund: Financial support in the form of loan funding to qualifying small enterprises	Yes	R6 000	R2 970 - was committed to loan funding	Available funding as at 31 March 2015 amounted to R3 029 854. At the end of the financial year the Credit Committee (approves or declines loan applications) meetings were postponed due to financial year end reporting requirements. Credit Committee meetings have resumed in April 2015. Loan applications amounting to R830 000 will be reviewed in April and applications to the value of R10 300 000 will be reviewed in May 2015.
National Empowerment Fund	Schedule 3 (A)	ED Grant Fund: Financial support in the form of grant funding to qualifying small enterprises	Yes	R3 000	R3 000	

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38(1)(j) of the PFMA?	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Casidra: SMME and Cooperative Loan Fund	Schedule 3 (D)	Financial support to qualifying small enterprises and cooperatives	Yes	R3 322	R1 880	R5 343 684 was committed to SMMEs in this financial year. The balance remaining is as a result of repayments.
Casidra: Provincial Growth Fund	Schedule 3 (D)	Financial support to qualifying small enterprises and projects	Yes	R1 678	R2 925	The funds are fully committed and the nature of the project requires that pre-set targets are achieved prior to the disbursement of funds. The first tranche of payments relating to 2014/15 projects are scheduled for May 2015. There are still active projects stemming from 2013/14, which accounts for the balance of funding remaining being larger than the balance of funds transferred.
Cape Craft and Design Institute (CCDI)	Non-Profit Company	Financial support to qualifying small enterprises	Yes	R1 500	R84	The commencement of the project was delayed by one month. The remaining funding has been committed and will be spent by end April 2015.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38(1)(j) of the PFMA?	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Business Bridge	Non-Profit Company	Support to qualifying small enterprises	Yes	R2 776	R691	The funds are fully committed and will be spent by the end of May 2015. This project duration is for a period of 14 months.
Small Enterprise Development Agency (Seda)	Schedule 3 (A)	Funding of 15 access points offering Business Development Support Services	Yes	R2 000	R1 479	The funds are committed and will be spent by the end of July 2015.
West Coast Business Development Centre	Non-Profit Company	Funding of Business Development Support on the West Coast	Yes	R1 500	R1 302	The funds are committed and will be spent by the end of April 2015.
The Business Place	Non-Profit Company	Funding of Business Development Support in Philippi and Khayelitsha	Yes	R1 500	R1 320	The funds are committed and will be spent by the end of May 2015.
Programme 3: Trade and Sector Development						
BPesa	Non-Profit Company	To fund cluster facilitation, sector growth and a contribution toward operational costs	Yes	R4 500	R4 324	Funds to be used for operational expenditure until the new financial year transfer occurs.
Cape Clothing and Textile Cluster	Non-Profit Company	To fund cluster facilitation, sector growth and a contribution toward operational costs	Yes	R2 500	R2 500	
Cape Information and Technology Initiative (CITI)	Non-Profit Company	To fund cluster facilitation, sector growth and a contribution toward operational costs	Yes	R2 900	R2 472	Funds to be used for operational expenditure until the new financial year transfer occurs.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38(1)(j) of the PFMA?	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Cape Town Fashion Council (CTFC)	Non-Profit Company	To fund cluster facilitation, sector growth and a contribution toward operational costs	Yes	R2 622	R2 400	Funds to be used for operational expenditure until the new financial year transfer occurs.
Clotex	Non-Profit Company	To fund cluster facilitation, sector growth and a contribution toward operational costs	Yes	R3 300	R1 582	Funds to be used for operational expenditure until the new financial year transfer occurs.
Green Cape	Non-Profit Company	To fund cluster facilitation, sector growth and a contribution toward operational costs	Yes	R7 630	R7 300	Funds to be used for operational expenditure until the new financial year transfer occurs.
South African Oil and Gas Alliance (SAOGA)	Non-Profit Company	To fund cluster facilitation, sector growth and a contribution toward operational costs	Yes	R6 841	R6 800	Funds to be used for operational expenditure until the new financial year transfer occurs.
South African Fine Food Association	Non-Profit Company	To fund cluster facilitation, sector growth and a contribution toward operational costs	Yes	R1 117	R1 100	Funds to be used for operational expenditure until the new financial year transfer occurs.
UCT	Non-Profit Company	The establishment of the African Institute of Financial Markets and Risk Management (AIFMRM)	Yes	R1 000	R604	Remaining funds to be used for the project cost of the AIFMRM as per the TPA.
Western Cape Tooling Initiative (WCTI)	Non-Profit Company	To fund cluster facilitation, sector growth and a contribution toward operational costs	Yes	R1 000	R800	Funds to be used for operational expenditure until the new financial year transfer occurs.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38(1)(j) of the PFMA?	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Programme 5: Economic Planning						
GreenCape	Non-Profit Company	To fund the expansion of Green Economy sub sectors, notably waste and energy	Yes	R4 850	R4 850	
GreenCape	Non-Profit Company	To fund the establishment of the Green Finance Desk which has as its purpose the facilitation of investment into Green Economy	Yes	R1 600	R1 100	Funds allocated for supporting work related to Energy Security game changer. Game changer work only started in Feb 2015 and will continue until Aug 2015.
Cape Craft and Design Institute	Non-Profit Company	To conceptualise and implement the Better Living Design Challenge	Yes	R1 500	R1 500	
Western Cape Economic Development Partnership	NPO	To execute the Provincial Government's growth strategy mandate, i.e. create opportunities for growth and jobs.	Yes	R8 896	R8 753	These funds were reserved for any late or delayed invoices that were not received before year end 31 March 2015.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with section 38(1)(j) of the PFMA?	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
				R'000	R'000	
Programme 7: Skills Development and Innovation						
CPUT	Universities & Technicons (U&T)	Funds allocated to support unemployed students with ICT training and placements	Yes	R1 460	R960	The funds were under spent as CPUT delayed in approving mentorship contracts with firms. This issue has now been resolved.
Work and Skills	Households	Facilitated the payment of beneficiary stipends; monitoring progress on technical assessments; and facilitating CBMT	Yes	R8 152	R5 239	Project deliverables go beyond financial years and accommodate the academic years.
South African Oil and Gas Alliance (SAOGA)	Non-Profit Company	Facilitated the payment of beneficiary stipends; monitoring progress on technical assessments; and facilitating CBMT	Yes	R7 871	R4 694	Project deliverables go beyond financial years and accommodate the academic years. Committed funds for stipends, CBMT and M&E capacity.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2014 to 31 March 2015, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for	Amount transferred	Reasons why funds were not transferred
		(R'000)	(R'000)	
Business Bridge	Support to qualifying small enterprises	R3 000	R2 776	The Transfer Payment Agreement stipulated that the beneficiary raise matching funds. The beneficiary was unable to conform to this requirement and only raised R2 775 788. The services relating to the shortfall was obtained through sponsorships after the financial year end. It should be noted that all objectives for this initiative were achieved.
Deloitte	Logistical support for the 2015 Western Cape Funding Fair	R100	R0	The logistical support was obtained using the Department's procurement system
Western Cape Aquaculture Development Initiative	To fund cluster facilitation, sector growth and a contribution toward operational costs	R1 700	R1 113	The Monitoring & Evaluation frameworks we have in place detected potential Corporate Governance and Performance irregularities. Given these concerns, we requested that an inspection of the organisation be done by our internal control unit but WCADI was not forthcoming. It was hence not prudent for DEDAT to transfer the remaining balance.
Western Cape Aquaculture Development Initiative	To fund the conceptualisation and design of Triple Green Aquaculture Project	R1 450	R1 225	Same as above

5.5. Conditional grants and earmarked funds paid

Not applicable

5.6. Conditional grants and earmarked funds received

The Department received no conditional grants during the 2014/15 financial year. However, as part of its Annual Appropriation, additional funds were received for the following:

- a) R19.984 million was received for the purpose of supporting the Western Cape Destination Marketing, Investment and Trade Promotion Agency (Wesgro) in terms of their core function of attracting foreign direct investment, enhancing trade (with a focus on the prioritised sectors), investigating alternative markets and aiming for international best practice in destination marketing, trade and investment promotion.
- b) An amount of R25.054 million was earmarked for Broadband (stream 2) which was a continuation of the service level agreements entered into in the 2013/14 financial year, Proof of Concept Development, Economic value-added services PPP and benchmarking.
- c) The Saldanha Bay IDZ received an allocation of R28.091 million to support the functioning of the governance structures constituted to oversee and manage the planning and implementation of the Saldanha Bay IDZ project.
- d) R81.790 million was allocated for the expansion of the Cape Town International Convention Centre (CTICC).
- e) An amount of R8.896 million was appropriated to support the operations of the Western Cape Economic Development Partnership (WCEDP) during the 2014/15 financial year.

5.7. Donor funds received

During the year under review the Department received donor funding from the Development Bank of South Africa (DBSA) and the Wholesale and Retail Skills Education and Training Authority (W&RSETA).

Funds were granted with the intension of assisting the Department in the fight against youth unemployment by co-funding and supplementing various job creation and work readiness programmes such as the Work and Skills programme as managed by the Department.

To this end, the DBSA contributed an amount of R11.969 million and W&RSETA an amount of R180 000 respectively.

Regular project reports are provided to the two donors inclusive of full financial disclosures. As at the end of the financial year, the Department expended R11.567 million.

5.8. Capital investment, maintenance and asset management plan

Progress made on implementing the capital, investment and asset management plan.

Not applicable

Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance).

Not applicable

Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed.

Assets will be replaced in terms of the asset management policy. During the 2015/16 financial year the Department will be undergoing a restructuring of all floors and offices. The restructuring will be performed by the Department of Transport and Public Works.

Plans to close down or downgrade any current facilities.

Not applicable

Progress made on the maintenance of infrastructure.

Not applicable

Developments relating to the above that are expected to impact on the Department's current expenditure.

Not applicable

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

A total of 398 assets have been disposed of during the 2014/15 financial year.

A total of 3 assets have been written off during the 2014/15 financial year.

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, LOGIS registers and the BAS system are reconciled to ensure that all registers are complete and correct.

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

- 66% is in good condition
- 29% is in a fair condition
- 5% is in a bad condition

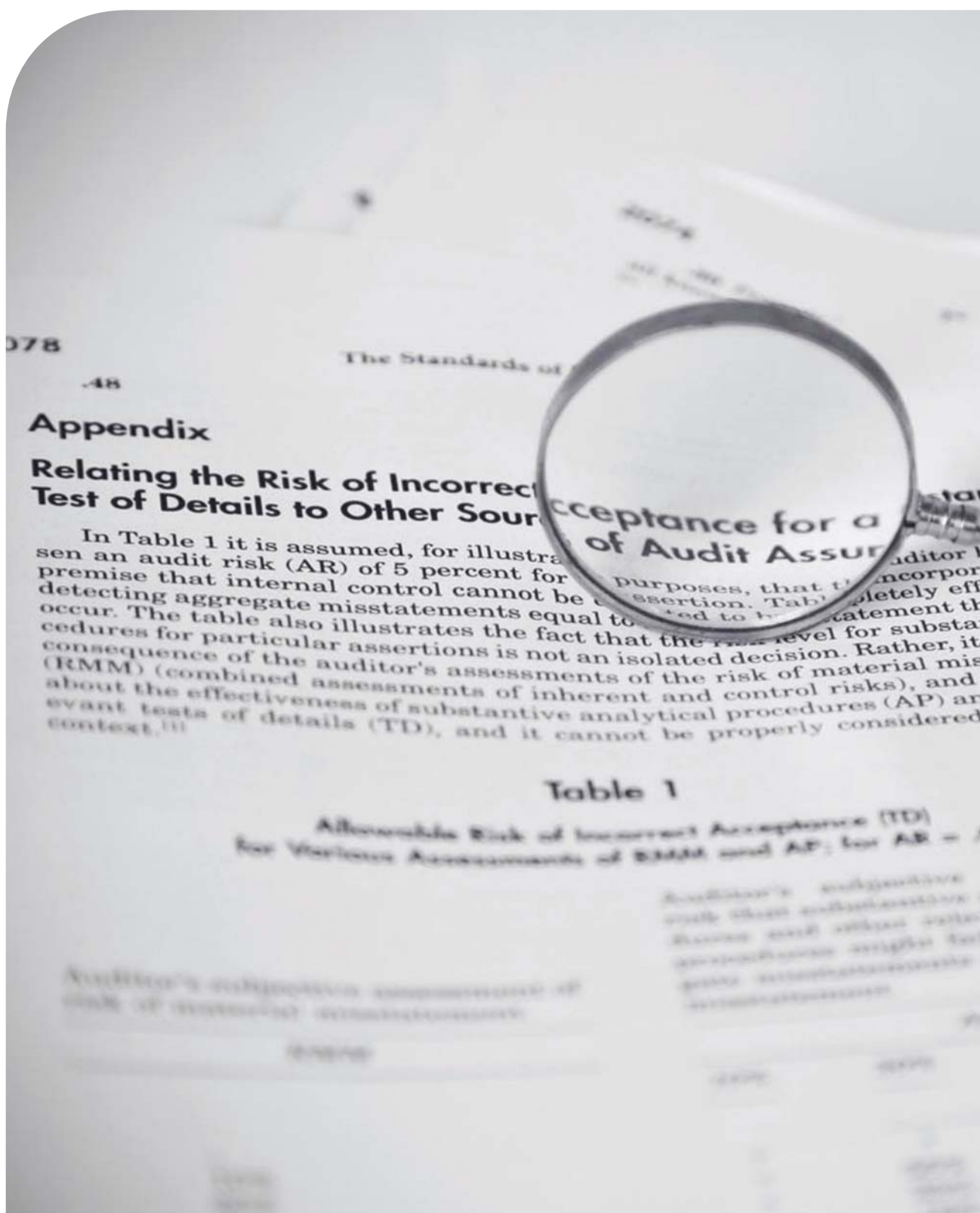
Major maintenance projects that have been undertaken during the period under review.

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.

Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not why not, and what measures were taken to keep on track?

Not applicable

Infrastructure projects	2014/15			2013/14		
	Final Appropria- tion	Actual Expen- diture	(Over)/ Under Expen- diture	Final Appro- priation	Actual Expen- diture	(Over)/ Under Expen- diture
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	3 862	3 710	152	4 136	4 136	
Existing infrastructure assets						
- Upgrades and additions						
- Rehabilitation, renovations and refurbishments						
- Maintenance and repairs						
Infrastructure transfer						
- Current						
- Capital						
Total	3 862	3 710	152	4 136	4 136	



Part C: CORPORATE GOVERNANCE

1. INTRODUCTION

The Corporate Governance requirements of the King III report with regards to the Accounting Officer's responsibilities are espoused by section 38 and 40 of the PFMA. Pursuant to this legislative duty and responsibility towards sound governance, the Department has an established and functioning Governance Committee chaired by the Accounting Officer and composed of all senior management members. This committee ensures that corporate, ethical and social responsibility and accountability are imparted to the Department's entire stakeholder constituent. During the 2014/15 financial year, the Committee made great advances in the areas of governance of information technology, fraud prevention awareness and training and enhancing the processes related to transfer payments. This was primarily possible due to the maturing of thinking around true governance and the obligation the Department has towards its stakeholders.

During the 2014/15 financial year, the Governance Committee embraced its true identity through the expansion of its agenda and, therefore, the Committee's strategic direction. This process was executed through the annual review of the Committee's terms of reference whereby it was decided that all nine King III principles should form the driving mechanism and intent of the Committee as opposed to only a few principles that unfairly enjoyed preference.

Parallel to this initiative, the Department's DITCom Strategic Committee, which is directed by one of the King III principles (the governance of information technology) was subsumed into the Governance Committee. The efficiency gains were two-fold: The move simultaneously signified a decrease in the plethora of committee meetings requiring management's attendance and simultaneously strengthened elevated the strategic direction and credibility of information technology governance matters.

In further preserving the highest standards of governance, the Department, as in previous years, continued its fraud prevention policy stance of zero tolerance through the enhancement of its training and awareness programmes. Closer partnership and a deeper understanding of the mandates and stakeholder accountabilities of the Department and the Provincial Forensic Services in terms of fraud prevention led to the enhancement of fraud training programmes to support not only the Department but also its public entity, the Western Cape Liquor Authority. The intent of this partner training was to engender better relations with the entity and also to augment the Department's position in terms of anti-corruption activities.

In addition and pursuant to underpinning the corporate governance principle of ethical leadership and corporate citizenship, the Department initiated a selection process for beneficiaries of transfers. Unlike the high risk, and therefore vigorously controlled, Supply Chain Management arena, the Transfer Payment delivery method has previously not been as heavily legislated. Consequently, the potential for abuse of the payment process existed. In ensuring coverage for this potential risk and ultimately instilling confidence in government's most valued stakeholder, the public, the Department embarked upon an initiative to execute a selection process for beneficiaries of transfers. In line with the intent of transfer payments, the process ensured that beneficiaries' mandates were aligned to those of the Department, that beneficiaries were deserving of state funds and that the selection process was fair and free of conflict of interests.

2. RISK MANAGEMENT

The Accounting Officer (AO) for the Department of Economic Development and Tourism takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF) and the Directorate Enterprise Risk Management (D:ERM) in the Department of the Premier provides a centralised strategic support service to the Department.

In compliance with the PSRMF and to further embed risk management within the Department, the Western Cape Government (WCG) has adopted an ERM Policy which sets out the WCG's overall intention with regard to ERM. The Department adopted an ERM Policy & Strategy, approved by the Accounting Officer on 9 December 2014; and an ERM Implementation Plan, approved by the Accounting Officer on 13 June 2014. The ERM Implementation Plan gave effect to the WCG ERM policy and departmental ERM Strategy and outlines the roles and responsibilities of management and staff in embedding risk management in the Department.

The Department assessed significant risks – both strategic and programme risks – that could have an impact on the achievement of its objectives on a quarterly basis. Risks were prioritised based on its likelihood and impact (inherently and residually) and additional mitigations were agreed upon to reduce risks to acceptable levels. New/emerging risks were identified during the quarterly review processes.

The Department of Economic Development and Tourism has an established Governance Committee to assist the Accounting Officer in executing his respective responsibilities concerned with implementing effective risk management. The Committee functions under a terms of reference approved by the Accounting Officer on 27 August 2014. The Committee comprises of select members of the Department's senior management team. As per its terms of reference, the Committee should meet four times a year (quarterly). As a direct consequence of the Committee expanding its mandate to include and drive the governance of information technology processes, the Committee exceeded their quota of meetings by five meetings to nine meetings for the 2014/15 financial year.

The Committee meetings during the financial year under review were attended as follows:

Member	Position	Sched- uled Meetings	Attended
Mr Solly Fourie	Accounting Officer (Chairperson)	9	9
Ms Mymoena Abrahams	Chief Financial Officer/Risk Champion	9	7
Mr John Peters	CD: Integrated Economic Development Services	9	8
Ms Jo-Anne Johnston	CD: Strategic Initiatives	9	6
Mr Nigel Gwynn-Evans	CD: Trade and Sector Development	9	8
Mr Ashley Searle	Director: Business Regulation and Governance	9	7
Mr Raybin Windvogel	Director: Red Tape Reduction	9	6
Mr Nezaam Joseph	Director: Economic Planning	9	8
Ms Labeeqah Schuurman	CD: Tourism, Arts and Entertainment	9	6
Mr Anthony Phillips	CD: Skills Development and Innovation	9	6
Ms June Lombard	Manager: Internal Control (Non-voting member)	9	8

The Audit Committee provided independent oversight of the Department's system of risk management. The Audit Committee was furnished with Quarterly ERM progress reports and departmental risk profiles and registers to execute their independent oversight role. The Audit Committee's evaluation of the risk management process relates to the progress of implementation of the Department's Annual ERM Implementation Plan and strategic risks faced by the Department and their relevant risk response/treatment strategies.

The Department's ongoing approach to the institutionalisation of effective risk management is its integration into all departmental processes. This integration of risk management was demonstrated during the financial year at the strategic, operational and project level and monitored quarterly during the implementation phase.

The risk management methodology and formal system allowed for a tracking mechanism to institute appropriate management mitigations that enabled the Department to respond easily to changes in the environment and its impact on objectives. In doing so, risk management was utilised as a performance assurance tool by management in that better surety was gained in achievement of objectives.

3. FRAUD AND CORRUPTION

The Western Cape Government adopted an Anti-Corruption Strategy which confirms the Province's zero tolerance stance towards fraud and corruption. The Department has an approved Fraud Prevention Plan and a Fraud Prevention Implementation plan which gives effect to the Fraud Prevention Plan.

Various channels for reporting allegations of fraud and corruption exist and these are described in detail in the Provincial Anti-Corruption Strategy and the Departmental Fraud Prevention Plan. Each allegation received by the Provincial Forensic Services (PFS) is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Department and to generate statistics for the Province and Department. We protect employees who blow the whistle on suspicions of fraud, corruption and theft if the disclosure is a protected disclosure (i.e. meets statutory requirements, e.g. was made in good faith). The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, their identities are kept confidential by the person to whom they are reporting.

Once fraud or corruption is confirmed, after completion of an investigation, the relevant employees who were implicated in these acts are subjected to a disciplinary hearing. In all such instances, the WCG representative initiating the disciplinary proceedings is required to recommend dismissal of the employee concerned. Where prima facie evidence of criminal conduct is detected, a criminal matter is reported to the South African Police Services.

During this financial year, three investigations were completed by PFS. One of the completed investigations confirmed fraud and/or corruption whilst in the two other instances only preliminary investigations were required and these preliminary investigations did not confirm the allegation of fraud, theft or corruption. At the end of the financial year, no (zero) matters remained on the case list of the Department.

4. MINIMISING CONFLICT OF INTEREST

A key corporate governance element is effective conflict of interest management. The Department regards this as an important focus area within Supply Chain Management. Pursuant to this and to prevent conflicts of interest, the Department advanced its stance in terms of ethical procurement practices in the 2014/15 financial year and ensured the following:

- a) All departmental bid committee members sign a declaration of interest for each bid/quotation and if any conflict may exist, the relevant members are excused from the meeting. This declaration was enhanced during the year by the refinement of the form to include and thereby mitigate any potential confidentiality issues that may arise.
- b) Suppliers are required to complete a WCBD4 document, which requires them to disclose any family members that are involved in the procurement process or employed in the Department. The information on the WCBD4 is verified by the Department prior to the evaluation of a bid or quotation.
- c) Declarations of interest are completed by all staff inviting quotations for procurement between R0 to R10 000.

In addition, for the period under review, the Department ensured 100% compliance with The Public Service Regulations (2001), which stipulates that all designated employees in the public service, must disclose the particulars of their financial interest on an annual basis to the relevant Executive Authority.

5. CODE OF CONDUCT

A code of conduct for Supply Chain Management (SCM) was developed to ensure that SCM officials undertake fiduciary duties when undertaking their normal duties. All SCM officials sign a code of conduct upon their assumption of duty. The content of the code of conduct is discussed in detail with each official so that they are aware of the serious nature of the document.

In order to promote a standard of professional ethics in the workplace, the Department ensured that all new staff members attend an induction programme, which deals with the Code of Conduct that encouraged staff to think and behave ethically.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

With the appointment of a dedicated Security Manager and Security Committee, as well as a fully-trained Occupational Health and Safety Committee (OHSC) at the Waldorf Building, a conscious effort has been made to increase safety measures in the Department. Dedicated officials have been appointed to act as liaison between the Department and the Department of Community Safety and Transport and Public Works on security breaches and all building maintenance issues.

The Departmental Security Manager also represents the Department on the Western Cape Government Transversal Safety and Security Managers Forum, which monitors the implementation of security measures across departments.

A dedicated person was appointed to manage Occupational Health and Safety (OHS) issues in the Department. A forum consisting of representatives off all the programmes have been established and all newly appointed members were trained to deal with all OHS issues. To ensure a safe and conducive working environment, the Department developed and implemented an OHS contingency plan to deal with any emergency that might occur within the Department.

During the financial year the Department conducted two evacuation drills both of which were successfully conducted with all major stakeholders. This is an improvement on the drills conducted in the previous financial year. A Standard Operating Procedure is in place to deal with day-to-day housekeeping and maintenance.

7. SCOPA RESOLUTIONS

The Committee noted the Auditor-General's audit opinion regarding the Department's Annual Financial Statements for the 2013/14 financial year, having obtained a clean audit opinion. The audit opinion from the Auditor-General for the 2013/14 financial year, was sustained from the audit opinions relating to the previous financial years, 2011/12 and 2012/13, which highlighted findings on compliance with laws and regulations, material misstatements in the financial statements, procurement and contract management, expenditure management and human resource management and compensation for the 2011/12 financial year, to findings referring to compliance with laws and regulation to human resources management and compensation for the 2012/13 financial year.

In addition, the Committee recognises that there is a visible improvement for the 2011/12, 2012/13 financial year and sustaining this in the 2013/14 financial year.

The Committee addressed no recommendations to the Department during its discussions of the Annual Report for the 2013/14 financial year. They did however request a list of documentation which is detailed below.

The Department acknowledges the invaluable role the Committee plays in oversight and governance and where recommendations were identified, have always ensured that those recommendations were implemented and reported on accordingly.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
5.12.2.1	The Committee enquired about the mandate of the departmental Governance Committee.	The mandate of the Governance Committee, as referred to on page 139 of the Annual Report 2013/14.	The Governance Committee terms of reference for 2013/14 were provided.	Yes
5.12.2.2		The list of officials and their designations who were in acting positions, due to capacity constraints during the implementation of the new organisational design in the Department, as mentioned on page 193 of the Annual Report 2013/14.	The list was provided to the Committee as requested. No further information was requested from the Committee.	Yes
5.12.2.3	The Committee requested a detailed list of interns within the Department.	A detailed list of all interns in the Department, including the positions they currently hold, and of these interns, how many were offered contract or permanent positions.	A detailed list of all interns was provided to the Committee as requested. No further information was requested from the Committee.	Yes
5.12.2.4	The Committee requested additional information to the list of consultants, contractors and agencies.	A detailed report which provides a breakdown of consultants, contractors and agency/outsourced services utilised, including their individual HDI status and the nature of the work conducted for the Department.	The Department provided the Committee with the additional information as requested. No further information was requested from the Committee.	Yes

8. PRIOR MODIFICATIONS TO AUDIT REPORTS

Not applicable

9. INTERNAL CONTROL UNIT

The control environment is the foundation for all other components of internal control. The Governance Committee and senior management establish the tone at the top regarding the importance of internal control and the expected standards of conduct. The control environment provides discipline, process and structure. The control environment is supported by policies and procedures developed within the Department. These policies and procedures are monitored by various assurance providers including the Auditor General, Provincial Treasury, Internal Audit and the Internal Control Unit.

The expected responsibilities within the Internal Control Unit are detailed in the operational plan and are informed by various mediums. The Unit has translated the responsibilities in the operational plan, into standard operating procedures, working papers and or checklists to assist in the monitoring and reporting of internal control deficiencies and cases of non-compliance.

For the 2014/15 financial year the Unit conducted special audits on Supply Chain Management project files and the 2015/16 Annual Performance Plan review. As part of the recurring audits, the Unit conducted audits on all payments inclusive of transfers, assets, leases, revenue, the interim and Annual Financial Statements and the Audit of Pre-determined Objectives.

Audit of Pre-determined Objectives

To enable the Department to publish credible information as disclosed in the quarterly and annual performance reports, financial management has developed a framework for the verification of reported information. This includes a comprehensive policy on the Audit of Pre-determined Objectives, training on the policy and an evidence framework.

The Audit of Pre-determined Objectives is a process aimed at providing assurance to Parliament, legislators, members of the public and other relevant parties that the actual departmental performance reported, is credible in terms of usefulness and reliability.

At the start of each year, financial management together with the line function discuss what information would be sufficient appropriate evidence that will support all indicators published in the Annual Report. This information is encapsulated into an evidence framework which is signed by both the programme managers and the Chief Financial Officer. Thereafter, for each reporting period, the Internal Control Unit together with Management Accounting evaluate the evidence against the evidence framework to ensure credibility of the reported information.

The same process is followed during the finalisation of the Annual Report as the Department takes cognisance of the fact that this information has high public interest and should therefore be vigorously checked before reporting.

In absence of a formal internal control framework, which is currently being drafted by Provincial Treasury, the internal control unit developed an internal control framework. This document is used as a basis for all work performed by the Unit.

The Unit is also the custodian, and therefore manages, the chief directorate's Financial Management Strategy to address possible audit risks. To give effect to the attainment of an unqualified audit report with no other matters, Financial Management has identified all potential risks which may have an effect on the audit outcome for the Department. The result thereof was the development of an all-encompassing monitoring tool for all disciplines within Financial Management. The project started during the previous financial year and is assessed and updated on a regular basis by the Financial Management team. In accordance with their stewardship of the plan, the Internal Control Unit monitors the implementation and progress of the actions identified in the plan as part of the various control activities and compliance checks conducted within the Unit. This project has assisted the Department in the attainment of an unqualified audit report for the past two financial years.

Risk	Action/Control	Finance Responsibility	Programme Responsibility	Other Responsibility	Monitoring Conducted	Risk Adequately Controlled
Departmental Accounting						
Supporting documents for payments could not be obtained for audit purposes	<ul style="list-style-type: none"> Pre-auditing of payments to verify supporting documents Completion of checklist – signed by compiler and authoriser Post-audits 	Ensuring that all supporting documents are attached and that it's a valid payment	Submit payment with all the supporting documentation attached	Internal Control to do post-auditing of batches	Manager: Departmental Accounting does a final check before submitting to Internal Control for review	Yes
Not a valid tax invoice	<ul style="list-style-type: none"> Pre-auditing of payments to verify supporting documents Completion of checklist – signed by compiler and authoriser Post-audits 	Ensuring that tax number is indicated if tax is claimed	Submit a valid invoice	Internal Control to check that invoice is valid and make sure that supplier is tax registered	Assistant Director does a final check before submitting to Internal Control	Yes
Payments not within 30 days	<ul style="list-style-type: none"> Pre-auditing of payments to verify invoice date Request motivation for payments more than 30 days Communication to line functions (awareness) 	<ul style="list-style-type: none"> Ensure that invoice is paid within 30 days of receipt in Department Obtain written motivation from responsible person if invoice is not paid within 30 days 	<ul style="list-style-type: none"> Submit invoices for payments within 30 days after receipt Provide written motivation if invoice is not paid within 30 days Implement controls to monitor invoices 	Internal Control to check invoices are paid within 30 days	Assistant Director does a final check before submitting to Internal Control	Yes

Risk	Action/Control	Finance Responsibility	Programme Responsibility	Other Responsibility	Monitoring Conducted	Risk Adequately Controlled
No reconciliation between receipts and revenue recorded	<ul style="list-style-type: none"> Allocation of all respective receipts accounts Monthly TGR reconciliations 	<ul style="list-style-type: none"> Ensure that all receipts are allocated to the correct SCOA accounts Ensure that monthly TGR reconciliations are performed 	Submit TGR information and reports to be reconciled	Internal Control to check that TGR reconciliations are accurate	Management to review	Yes
Correct allocations of SCOA items	<ul style="list-style-type: none"> All officials trained in SCOA items Correction journals 	<ul style="list-style-type: none"> Ensure that payments are allocated to the correct SCOA items Correction journals if incorrect allocations are identified 	Ensure that correct SCOA items are completed on the payment forms before submitting to finance	BM, INTERNAL CONTROL and AM to identify incorrect allocations timeously for corrections	BAS reports reviewed by management	Yes
Forced monthly and year closure	<ul style="list-style-type: none"> Clearing of accounts that must be zero for month closure on a daily basis 	<ul style="list-style-type: none"> Ensure that we do not have a forced month closure Clear accounts that need to be zero 	N/A	Internal Control to check validity of journals which cleared the accounts	<ul style="list-style-type: none"> BAS reports Journals checked by management 	Yes

Risk	Action/Control	Finance Responsibility	Programme Responsibility	Other Responsibility	Monitoring Conducted	Risk Adequately Controlled
AFS free from material misstatements	<ul style="list-style-type: none"> • IFS compiled within the National Treasury Reporting Frameworks, reviewed and signed off before submission to AGSA and PT. • Verification of information • Supporting documents to verify totals • Post audits workshops • SCOA items allocated correctly 	<ul style="list-style-type: none"> • Ensure AFS is completed on the NT template in accordance to the reporting framework • Ensure information provided is substantiated and accurate are correct 	N/A	<ul style="list-style-type: none"> • SCM, AM and BM to provide accurate information • Internal control to check accuracy of statements • PT guidance 	<ul style="list-style-type: none"> • AFS checked by management • Submitted to PT 	Yes
Management of debt	Ensure that debt is managed in accordance to the financial prescripts	<ul style="list-style-type: none"> • Follow procedures according to our Debt Policy and Debt Write-off Policy. • Debt cases are taken-on, followed up, reminders, referred to State attorneys for guidance • Amounts less than R500.00 written-off as uneconomical • Amounts written-off on recommendation of State Attorneys 	All officials to report debt cases to finance when identified	N/A	<ul style="list-style-type: none"> • BAS reports • Files checked by management • Submitting quarterly report to PT 	Yes

Risk	Action/ Control	Finance Responsibility	Programme Responsibility	Other Responsibility	Monitoring Conducted	Risk Adequately Controlled
System User Account management	Checking and verification of system controller activities	Ensure that system controller activities are checked and verified	N/A	PT assistance	<ul style="list-style-type: none"> Checked by Assistant Director Quarterly reports signed off by Chief Financial Officer 	Yes
Impairment on investment	Guidance from PT	Ensure that calculations of impairment of investment are correct	N/A	<ul style="list-style-type: none"> Provincial Treasury to provide guidance on the impairment policy framework Possible re-statement of previous year's calculations 	Management to review	Yes
GMT disclosure	Guidance from PT	Ensure that GMT information is accounted and disclosed correctly in the AFS	N/A	Information provided by GMT and PT	Management to review	Yes
Management Accounting						
Non-achievement of PDO targets	Regular reminders to Programmes to verify performance information	<p>Highlight the need to deliver against PDO's;</p> <p>Note all high risk indicators and provide Accounting Officer with discussion points for DTM</p>	Implement remedial actions to ensure that significant achievement against PDO's can be recorded	DTM and M&E to drive the achievement of PDO's (both output and outcome)	Assistant Director to draft template to highlight line areas at risk on a quarterly basis	Yes

Risk	Action/Control	Finance Responsibility	Programme Responsibility	Other Responsibility	Monitoring Conducted	Risk Adequately Controlled
Appropriation does not balance to Trial Balance	BAS reports only drawn after books are closed and indication to the effect is provided by Departmental Accounting	Check all figure work for accuracy	n/a	n/a	Checks between Assistant Director: Revenue and expenditure control and Deputy Director: Accounting	Yes
Department does not achieve 98% spend at year end	Regular awareness sessions of financial position to HoD, and programmes and key expenditure targets reached	Report on expenditure position Conduct regular awareness sessions through Finance Focus meetings and HoD report	Monitor slow spending projects and implement remedial actions	One on one meetings with Programme Managers to discuss slow spending	Monthly expenditure updates and projections provided Projects to boost expenditure drafted and maintained by Management Accounting	Yes
Supply Chain Management						
LOGIS Asset register not compliant with IFRS	Maintain an audited Excel register Monthly recon between Excel + LOGIS + BAS	Ensure that assets are captured correctly	None	PT to ensure that the LOGIS downloads are timeously available	Weekly verification of assets procured vs. physical checks on the floor	Yes

Risk	Action/ Control	Finance Responsibility	Programme Responsibility	Other Responsibility	Monitoring Conducted	Risk Adequately Controlled
IT Governance Charter implement- ation	Develop an imple- mentation plan Regular update and discussion with CEI	Ensure compliance with charter	Adherence to charter	DITCom Strategic Committee should regularly monitor and discuss the implementation plan CEI to provide De- partment with mini- mum compliance requirements	Checklist developed to monitor compli- ance Reviewed monthly by asset manage- ment	Yes
Asset Management (Movement of as- sets)	Stocktake at year- end Procedure in place for movements	Spot checks con- ducted	Create awareness within programmes Consult asset management prior to any move (via e-mail)	None	Regular visits to the floor	Yes

Risk	Action/ Control	Finance Responsibility	Programme Responsibility	Other Responsibility	Monitoring Conducted	Risk Adequately Controlled
Lack of a culture of honesty and ethical leadership	Develop a Departmental Ethics policy	Develop the policy	Ensure implementation of policy	Adherence to the policy by staff Staff to embed the culture	Govcom to monitor implementation	Yes
	Approved by the Governance Committee	Ensure proper approval	N/A	N/A		Yes
	Standing strategic agenda item	Standing agenda item on Governance Committee	Standing agenda item on programme management meetings.	Adherence to requirements of agenda item.		Yes
	Communicated to all staff as well as training and awareness programmes initiated	Ensure communication, training and awareness to all staff take place	Ensure staff attendance to training and awareness programmes	Attendance by staff to training and awareness programmes		Yes

Risk	Action/ Control	Finance Responsibility	Programme Responsibility	Other Responsibility	Monitoring Conducted	Risk Adequately Controlled
Inadequate risk management processes	Adherence to approved ERM Plan	Risk champion will manage the ERM Plan through liaison with ERM	Manage programmatic risks through adequate articulation and standard agenda items on programme management meetings thereby ensuring live registers	Staff to manage day-to-day risks ERM to provide support to enable effective risk management processes	ERM conducts monitoring against their Plan	Yes
	Training and guidance of risk management principles	Training and guidance where required	Avail staff to all training and guidance sessions	ERM to provide guidance and technical support	ERM conducts monitoring against their Plan	Yes

10. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the Department. It assists the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes. The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the Department's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process;
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and developing recommendations for enhancement or improvement.

The following assurance engagements were approved in the 2014/15 Internal Audit Plan:

- Transfer Payments
- Supply Chain Management
- Monitoring and Evaluation
- Workforce Development Artisan
- Information Management Systems (IFMS)
- Performance Information Management

The Audit Committee is established as oversight body, providing independent oversight over governance, risk management and control processes in the Department, which include oversight and responsibilities relating to:

- Internal Audit function;
- External Audit function (Auditor General of South Africa - AGSA);
- Departmental Accounting and reporting;
- Departmental Accounting Policies;
- Review of AGSA Management and Audit Report;
- Review of Departmental In-year Monitoring;
- Departmental Risk Management;
- Internal Control;
- Pre-determined Objectives;
- Ethics and Forensic Investigations.

The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
Ms Judy Gunther	CIA; AGA; Masters in Cost Accounting; BCompt; CRMA	External	N/a	01 January 2013	N/a	10
Mr Ronnie Kingwill	CA(SA); CTA; BComm	External	N/a	01 January 2013	N/a	9
Mr Francois Barnard	MComm (Tax); CA(SA); Postgrad Diploma in Auditing; CTA BCompt (Honours); BProc	External	N/a	01 January 2013	N/a	5
Mr Burton van Staaden	CA(SA), Post-graduate Certificate in Auditing; CTA; BComm (Honours)	External	N/a	01 January 2015 (second term)	N/a	10
Mr Kerry Larkin	CRMA; CCSA; CIA; BCompt; ND: FIS	External	N/a	01 January 2013	N/a	6

11. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2015.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee has adopted appropriate formal Terms of Reference, has regulated its affairs in compliance with these Terms and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

We reviewed the results of Internal Audit engagements, which were based on the risk assessments conducted in the Department.

The following audit engagements were approved in the 2014/15 Internal Audit Plan and completed during the year:

- IFMS – IT General and application Review (Assurance)
- Transfer Payments (Assurance)
- Supply Chain Management (Assurance)
- Monitoring and Evaluation (Assurance)
- Workforce Development (Assurance)

The areas for improvements, as noted by Internal Audit during the performance of their work, were agreed to by management. The Audit Committee continues to monitor the implementation of the agreed actions on an ongoing basis.

In-Year Management and Monthly/Quarterly Report

The Department has reported monthly and quarterly to the Treasury as is required by the PFMA.

The Audit Committee is satisfied with the content and quality of the quarterly financial and performance 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 as presented in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General management report and management's responses thereto;
- considered changes to the accounting policies and practices and where applicable, that these are reported in the annual financial statements;
- reviewed the Department's processes to ensure compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report;
- reviewed material adjustments resulting from the audit of the Department (where appropriate);
- reviewed the interim financial statements as presented by the Department for the six months ending 30 September 2014.

Internal Audit

Internal Audit has been effective in completing its plan. The Audit Committee remains concerned about the adequacy of Internal Audit Resources to ensure complete coverage of high risk areas. The combined assurance approach will continue to be applied, to effectively focus limited Internal Audit resources.

Risk Management

The Department has taken responsibility and ownership for the implementation of the Enterprise Risk Management (ERM) methodology and function and the process is reviewed on a quarterly basis by the Audit Committee.

Auditor-General's Report

We have reviewed the Department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been addressed as reported by the Auditor-General.

The Audit Committee has met with the Auditor-General and the Department to ensure that there are no unresolved issues emanating from the regulatory audit.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements.

Appreciation

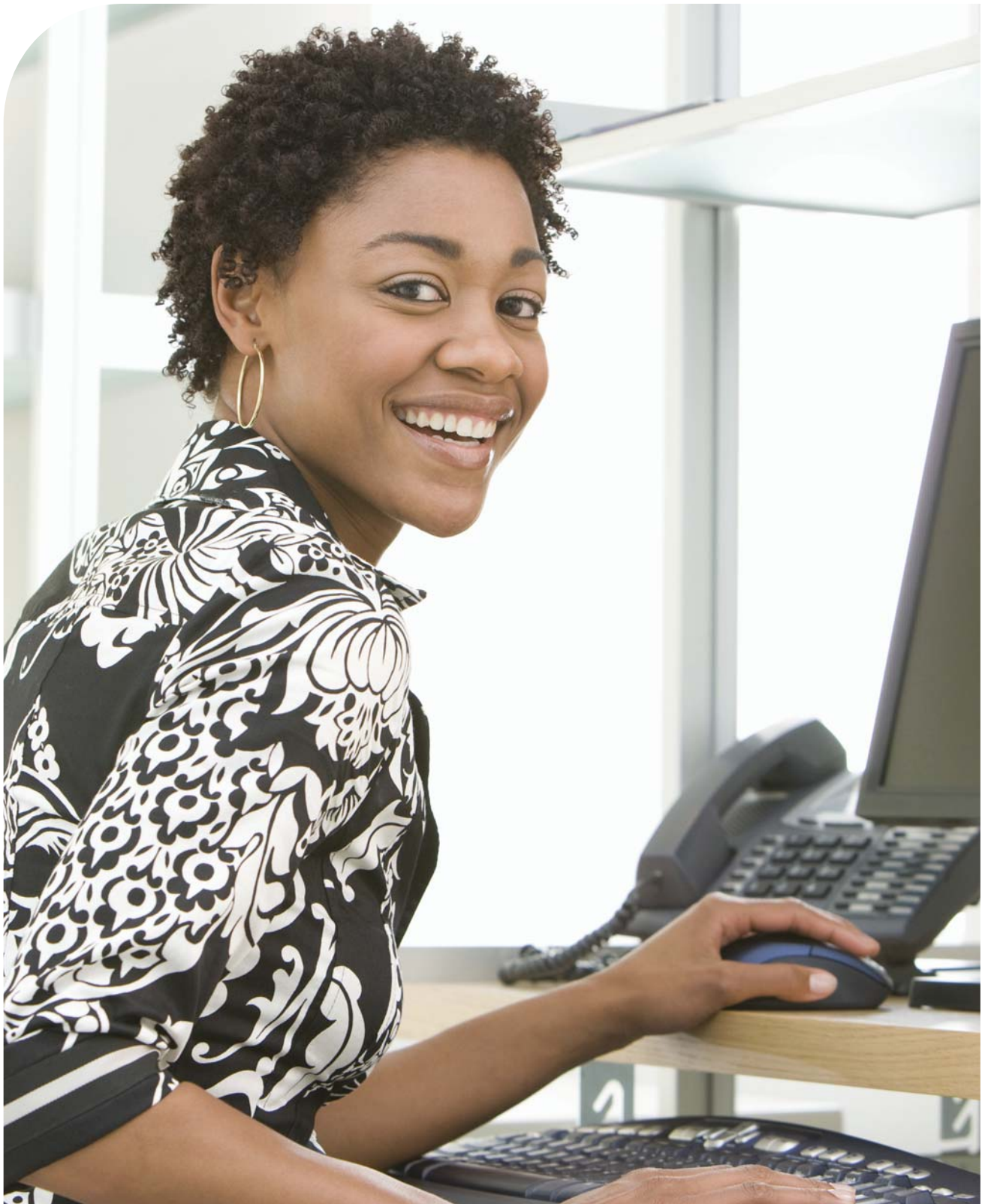
The Audit Committee wishes to express its appreciation to the Management of the Department, the Auditor-General and to the Corporate Assurance Branch for the co-operation and information they have provided to enable us to fulfil our mandate and to compile this report.



Ms Judy Gunther

**Chairperson of the Economic Cluster Audit Committee
(Western Cape Department of Economic Development and Tourism)**

August 2015



Part D: HUMAN RESOURCE MANAGEMENT

1. LEGISLATION THAT GOVERNS HR MANAGEMENT

The information provided in this part is prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4).

In addition to the Public Service Regulations, 2001 (as amended on 30 July 2012), the following prescripts direct Human Resource Management within the Public Service:

Occupational Health and Safety Act (85 of 1993)

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.

Public Service Act 1994, as amended by Act (30 of 2007)

To provide for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

Labour Relations Act (66 of 1995)

To regulate and guide the employer in recognising and fulfilling its role in effecting labour peace and the democratisation of the workplace.

Basic Conditions of Employment Act (75 of 1997)

To give effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation; and to provide for matters connected therewith.

Skills Development Act (97 of 1998)

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.

Employment Equity Act (55 of 1998)

To promote equality, eliminate unfair discrimination in employment and to ensure the implementation of employment equity measures to redress the effects of discrimination; to achieve a diverse and efficient workforce broadly representative of the demographics of the province.

Public Finance Management Act (1 of 1999)

To regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.

Skills Development Levy Act (9 of 1999)

To provide any public service employer in the national or provincial sphere of Government with exemption from paying a skills development levy; and for exemption from matters connected therewith.

Promotion of Access to Information Act (2 of 2000)

To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.

Promotion of Administrative Justice Act (3 of 2000)

To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.

Public Administration and Management Act (11 of 2014)

To give effect to the public administration values and principles as contemplated in section 195(1) of the Constitution of the Republic of South Africa, provide for secondments in the public service, promote high standards of ethics and professionalism, promote the use of information and communication technologies, promote efficient service delivery, promote the eradication and prevention of unethical practices and provide for setting minimum norms and standards in public administration.

2. INTRODUCTION

The Value of People in the Department

Our people are the foremost contributors to the achievements of the Department and of the successes of the Western Cape Government. Service excellence depends on the wellbeing of our organisation and its people. Hence, we:

- value people who act with integrity, and are engaged, caring, competent, accountable and responsive;
- see people management to be the responsibility of everyone;
- ground the management of our people in the principles of dignity, respect, transparency and equity;
- grow, develop, empower and enable our people to reach and use their full potential;
- embrace diversity and have a deep respect for one another's culture, individuality, language, values and beliefs.

Overview of HR Matters at the Department

Human resources (people) are a key element in achieving the strategic objectives of the Department. Therefore human resource planning aims to ensure that the Department has the right people, with the right skills, at the right place at the right time, all the time. The Department's strategic planning cycle precedes the HR planning process where the latter process, among other things, links to the departmental skills development, recruitment, retention and affirmative action strategies.

The strategic HR Plan was developed and implemented for the period 1 April 2012 to 31 March 2017 and adjusted with effect from 1 April 2014. The HR Plan is reviewed annually to determine whether the human resource strategic objectives are still valid and address the HR priorities in the Department. Annual progress reports monitor the implementation of the key activities contained within the HR Plan and are submitted to DPSA as directed.

Workforce planning can be defined as an inclusive and dynamic process that involves the identification of both current and future human resource needs as well as potential challenges in order for the Department to consistently achieve its departmental strategic objectives.

Set HR Priorities for the Year under Review and the Impact of these Priorities

After analysing the current workforce profile and the future demand, the following HR priorities were identified:

NO.	HR PRIORITY	IMPACT
1	Training and Development	<ul style="list-style-type: none"> To create a learning organisation with a focus on scarce and critical skills. Availability of a pool of competent employees ready to fill vacant positions.
2	Recruitment and Selection	<ul style="list-style-type: none"> Reduced time frames to fill advertised posts. Reduced vacancy rate and more efficient recruitment and selection process. The Department recognised as an "Employer of choice".
3	Employment Equity and Diversity Management	A diverse workforce with equal opportunities for all.
4	Succession Planning and Career Management	<ul style="list-style-type: none"> To ensure the availability of a pipeline of successors for key or critical positions. Succession planning ensures continuity of organisational success.
5	Retention	A consistent and stable workforce.

Workforce Planning Framework and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

Without human resources (people), the Department cannot deliver an optimum service and without an adequate budget, it cannot recruit, develop and retain people needed to deliver optimum services.

The challenges facing the Department have been identified. These challenges have been addressed by identifying key activities which have been incorporated into the action plan.

The following are some of the main key activities as set out in the action plan:

NO.	HR PRIORITY
1	Training and Development <ul style="list-style-type: none"> Develop and present mentorship and coaching training programme. Effective functioning of the departmental Skills Development Forum (SDF) to ensure alignment between training interventions and WSP. Conduct transversal On-Boarding induction programme for all new employees.
2	Recruitment and Selection <ul style="list-style-type: none"> Reduce vacancy rate to the 10% DPSA target. Reduce time to fill a post within 6 months, of which 4 months after the post is advertised as per the DPSA target. Implement and improve an E-recruitment system to source talent.
3	EE / Diversity <ul style="list-style-type: none"> Meeting and maintaining the National 50% women in management target (SL 13-16). Meeting and maintaining the National 2% PWD target and implement measures to reasonably accommodate their needs.
4	Succession Planning and Career Development <p>Retirement and exit planning to ensure skills and knowledge transfer to potential successors with a special focus on critical and key posts.</p>
5	Retention <ul style="list-style-type: none"> Develop a Talent Retention strategy / framework. Investigate the exit interview process with a view to identify possible retention initiatives. Expand the investigation to all types of exits.

It is expected that the departmental management team and the Corporate Service Centre take joint responsibility for the execution of the action plans, as well as ownership for delivering the necessary outcomes.

Employee Performance Management Framework

One of the cornerstones of the Staff Performance Management System is the basic requirement that all employees are obliged to do what is expected of them. These expectations and the required performance standards are concretised by means of job descriptions, performance agreements, business plans and / or service level agreements. Rewards and incentives are therefore only granted for work that qualitatively and quantitatively surpasses work for which employees are remunerated.

Employees who are nominated for performance bonuses are assessed by moderation panels, who then examine the evidence of superior performance. Under-performing staff members, on the other hand, are required to complete the actions stipulated in a Performance Improvement Plan. These are closely monitored to ensure absolute compliance with acceptable performance standards.

The framework also seeks to promote a positive workplace culture that encourages formal and informal discussions about performance quality, lead practice and continuous individual improvement.

This system sets the framework in which both the employer and employee can equally realise their goals and objectives to ensure the achievement of PSO 12, namely being the best-run regional government in the world.

Employee Wellness

Developing a wellness culture in the Department is of strategic importance to ensure that employees achieve optimum levels of performance while feeling cared for and supported in the work context. The WCG's transversal Employee Health and Wellness Programme (EHW) follows a holistic approach to employee wellbeing and is largely preventative in nature, offering both primary and secondary services. The EHW Programme is monitored in the Department through monthly utilisation reports for primary services (24/7/365 telephonic counselling service, online e-Care service and reporting) and secondary services (face-to-face counselling, trauma and critical incidents, training and targeted intervention, executive coaching, advocacy). A quarterly report is prepared by the Directorate: Organisational Behaviour within the Corporate Services Centre that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the Department of Public Service and Administration is a requirement and such reporting focuses on four areas namely, HIV/ AIDS, Health and Productivity, Wellness Management and Safety Health Environment and Quality.

3. HUMAN RESOURCE OVERSIGHT STATISTICS

3.1 Personnel-related expenditure

The following tables summarise final audited expenditure by programme (Table 3.1.1) and by salary bands (Table 3.1.2). In particular, it provides an indication of the amount spent on personnel in terms of each of the programmes or salary bands within the Department.

The figures in Table 3.1.1 are drawn from the Basic Accounting System and the figures in Table 3.1.2 are drawn from the PERSAL [Personnel Salary] 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. This means there may be a difference in total expenditure reflected on these systems.

The key in the table below is a description of the Programmes within the Department. Programmes will be referred to by their number from this point forward.

Programme	Programme Designation
Programme 1	Administration
Programme 2	Integrated Economic Development Services
Programme 3	Trade and Sector Development
Programme 4	Business Regulation and Governance
Programme 5	Economic Planning
Programme 6	Tourisms, Arts and Entertainment
Programme 7	Skills Development and Innovation

Table 3.1.1: Personnel expenditure by programme, 2014/15

Programme	Total Expenditure (R'000)	Per-sonnel Expendi-ture	Training Expendi-ture	Goods & Services	Personnel expendi-ture as a % of total expendi-ture	Average personnel expendi-ture per employee	Number of Em-ployees
		(R'000)	(R'000)	(R'000)		(R'000)	
Programme 1	35 529	18 836	756	13 877	53.02	227	83
Programme 2	59 269	19 153	539	13 262	32.32	426	45
Programme 3	235 959	18 975	120	34 455	8.04	404	47
Programme 4	49 123	8 448	242	2 379	17.20	282	30
Programme 5	41 014	9 860	63	13 314	24.04	290	34
Programme 6	45 099	12 706	230	3 655	28.17	353	36
Programme 7	43 015	8 363	76	17 091	19.44	398	21
Total	509 008	96 341	2 026	98 033	18.93%	325	296

Note: The number of employees refers to all individuals remunerated during the reporting period, excluding the Minister.

Table 3.1.2: Personnel expenditure by salary bands, 2014/15

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)	1 448	1.5	34	43
Skilled (Levels 3-5)	8 947	9.2	169	53
Highly skilled production (Levels 6-8)	20 851	21.5	245	85
Highly skilled supervision (Levels 9-12)	48 696	50.3	497	98
Senior management (Levels 13-16)	16 841	17.4	991	17
Total	96 783	100.0	327	296

Note: The number of employees refers to all individuals remunerated during the reporting period, excluding the Minister.

The following tables provide a summary per programme (Table 3.1.3) and salary bands (Table 3.1.4) 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 3.1.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2014/15

Programme	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing Allowance as a % of personnel expenditure	Amount	Medical Assistance as a % of personnel expenditure
	(R'000)		(R'000)		(R'000)		(R'000)	
Programme 1	13 048	13.5	93	0.1	291	0.3	588	0.6
Programme 2	12 731	13.2	0	0.0	258	0.3	378	0.4
Programme 3	12 281	12.7	0	0.0	222	0.2	274	0.3
Programme 4	7 722	8.0	0	0.0	155	0.2	250	0.3
Programme 5	7 243	7.5	3	0.003	133	0.1	156	0.2
Programme 6	8 877	9.2	0	0.0	324	0.3	349	0.4
Programme 7	6 627	6.8	0	0.0	47	0.04	155	0.2
Total	68 529	70.8	96	0.1	1 430	1.5	2 150	2.2

Note: Salaries, Overtime, Housing Allowance and Medical Assistance are calculated as a % of the total personnel expenditure which appears in Table 3.1.2 above. Furthermore, the table does not make provision for other expenditure such as Pensions, Bonuses and other allowances which make up the total personnel expenditure. Therefore, Salaries, Overtime, Housing Allowance and Medical Assistance amount to 74.6% of the total personnel expenditure. The totals in Tables 3.1.3 and 3.1.4 balance. The data may, however, reflect differently as a result of the grouping per programme or salary band and the rounding off to thousands.

Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary bands, 2014/15

Salary Bands	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing Allowance as a % of personnel expenditure	Amount	Medical Assistance as a % of personnel expenditure
	(R'000)		(R'000)		(R'000)		(R'000)	
Lower skilled (Levels 1-2)	1 329	1.4	0	0	19	0.0	9	0.009
Skilled (Levels 3-5)	6 002	6.2	8	0.008	272	0.3	438	0.5
Highly skilled production (Levels 6-8)	15 708	16.2	69	0.1	436	0.5	826	0.9
Highly skilled supervision (Levels 9-12)	35 312	36.5	19	0.01	466	0.5	815	0.8
Senior management (Levels 13-16)	10 179	10.5	0	0.0	239	0.2	63	0.1
Total	68 530	70.8	96	0.1	1 432	1.5	2 151	2.2

Note: The totals in Tables 3.1.3 and 3.1.4 balance. The data may, however, reflect differently as a result of the grouping per programme or salary band and the rounding off to thousands.

3.2 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees and the percentage of vacant posts. This information is presented in terms of three key variables: programme (Table 3.2.1), salary band (Table 3.2.2) and critical occupations (Table 3.2.3). Departments have identified critical occupations that need to be monitored. Table 3.2.3 provides establishment and vacancy information for the key critical occupations of the Department.

Table 3.2.1: Employment and vacancies by programme, as at 31 March 2015

Programme	Number of funded posts	Number of posts filled	Vacancy rate %
Programme 1	68	55	19.1%
Programme 2	38	34	10.5%
Programme 3	38	33	13.2%
Programme 4	26	23	11.5%
Programme 5	24	20	16.7%
Programme 6	35	32	8.6%
Programme 7	20	18	10.0%
Total	249	215	13.7%

Table 3.2.2: Employment and vacancies by salary bands, as at 31 March 2015

Salary Band	Number of funded posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1-2)	4	4	0.0%
Skilled (Levels 3-5)	49	47	4.1%
Highly skilled production (Levels 6-8)	68	60	11.8%
Highly skilled supervision (Levels 9-12)	106	87	17.9%
Senior management (Levels 13-16)	22	17	22.7%
Total	249	215	13.7%

Note: The information in each case reflects the situation as at 31 March 2015. For an indication of changes in staffing patterns over the year under review, please refer to section 3.4 of this report.

Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2015

Critical Occupations	Number of funded posts	Number of posts filled	Vacancy rate %
None	0	0	0
Total	0	0	0

3.3 Job evaluation

The Public Service Regulations, 2001 as amended, introduced post 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 post in his or her organisation.

Table 3.3.1 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 3.3.1: Job evaluation, 1 April 2014 to 31 March 2015

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)	4	0	0.0	0	0.0	0	0.0
Skilled (Levels 3-5)	49	0	0.0	0	0.0	0	0.0
Highly skilled production (Levels 6-8)	68	0	0.0	0	0.0	0	0.0
Highly skilled supervision (Levels 9-12)	106	0	0.0	4	1.6	0	0.0
Senior Management Service Band A (Level 13)	15	24	9.6	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	6	5	2.0	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	0	2	0.8	0	0.0	0	0.0
Senior Management Service Band D (Level 16)	1	1	0.4	0	0.0	0	0.0
Total	249	32	12.9	4	1.6	0	0.0

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

Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2014 to 31 March 2015

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	1	0	1
Male	2	0	1	0	3
Total	2	0	2	0	4

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation (including higher notches awarded). Reasons for the deviation are provided in each case.

Table 3.3.3: Employees who have been granted higher salaries than those determined by job evaluation per race group, 1 April 2014 to 31 March 2015

Major Occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
Chief Director	1	14		8 notch increment	Retention
Assistant Director	2	9		7 and 8 notch increment respectively	Retention and Attraction
Total				3	
Percentage of total employment				1.7	

Table 3.3.4: Employees who have been granted higher salaries than those determined by job evaluation per race group, 1 April 2014 to 31 March 2015

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	1	2	0	3
Male	0	0	0	0	0
Total	0	1	2	0	3
Employees with a disability				0	

3.4 Employment changes

Turnover rates provide an indication of trends in the employment profile of the Department during the year under review. The following tables provide a summary of turnover rates by salary band (Table 3.4.1) and by critical occupations (Table 3.4.2).

Table 3.4.1: Annual turnover rates by salary band, 1 April 2014 to 31 March 2015

Salary Band	Number of employees as at 31 March 2014	Turn-over rate 2013/14	Ap-point-ments into the Depart-ment	Trans-fers into the Depart-ment	Termi-nations out of the Depart-ment	Trans-fers out of the Depart-ment	Turn-over rate 2014/15
Lower skilled (Levels 1-2)	3	0.0	1	0	0	0	0.0
Skilled (Levels 3-5)	44	4.7	12	0	5	1	13.6
Highly skilled production (Levels 6-8)	62	14.0	5	3	9	1	16.1
Highly skilled supervision (Levels 9-12)	94	10.4	7	0	13	1	14.9
Senior Management Service Band A (Level 13)	10	18.2	1	0	0	0	0.0
Senior Management Service Band B (Level 14)	5	0.0	0	0	0	0	0.0
Senior Management Service Band C (Level 15)	1	50.0	0	0	0	0	0.0
Senior Management Service Band D (Level 16)	0	0.0	0	0	0	0	0.0
Total	219	10.6	26	3	27	3	13.7

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

Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2014 to 31 March 2015

Critical Occupation	Number of employees as at 31 March 2014	Turn-over rate 2013/14	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2014/15
None							

Table 3.4.3: Staff leaving the employ of the Department, 1 April 2014 to 31 March 2015

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2015
Death	0	0.0	0.0
Resignation *	19	63.3	8.7
Expiry of contract	7	23.3	3.2
Dismissal – operational changes	0	0.0	0.0
Dismissal – misconduct	0	0.0	0.0
Dismissal – inefficiency	0	0.0	0.0
Discharged due to ill-health	0	0.0	0.0
Retirement	1	3.3	0.5
Employee initiated severance package	0	0.0	0.0
Transfers to Statutory	0	0.0	0.0
Transfers to other Public Service departments	3	10.0	1.4
Total	30	100.0	13.7

Note: Table 3.4.3 identifies the various exit categories for those staff members who have left the employ of the Department. * Resignations are further discussed in tables 3.4.4 and 3.4.5.

Table 3.4.4: Reasons why staff resigned, 1 April 2014 to 31 March 2015

Resignation Reasons	Number	% of total resignations
Other occupation	1	5.3
Resigning of position	18	94.7
Total	19	100.0

Note: Resigning of position is a PERSAL category which indicates that no reason was provided.

Table 3.4.5: Different age groups of staff who resigned, 1 April 2014 to 31 March 2015

Age group	Number	% of total resignations
Ages <19	0	0.0
Ages 20 to 24	2	10.5
Ages 25 to 29	7	36.8
Ages 30 to 34	4	21.1
Ages 35 to 39	3	15.8
Ages 40 to 44	1	5.3
Ages 45 to 49	2	10.5
Ages 50 to 54	0	0.0
Ages 55 to 59	0	0.0
Ages 60 to 64	0	0.0
Ages 65 >	0	0.0
Total	19	100.0

Table 3.4.6: Employee initiated severance packages

Total number of employee initiated severance packages in 2013/14	None
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Table 3.4.7: Promotions by salary band, 1 April 2014 to 31 March 2015

Salary Band	Employees as at 31 March 2014	Promotions to another salary level	Promotions as a % of employees	Progressions to another notch within a salary level	Notch progressions as a % of employees
Lower skilled (Levels 1-2)	3	0	0.0	3	100.0
Skilled (Levels 3-5)	44	0	0.0	30	68.2
Highly skilled production (Levels 6-8)	62	0	0.0	46	74.2
Highly skilled supervision (Levels 9-12)	94	0	0.0	68	72.3
Senior management (Levels 13-16)	16	0	0.0	12	75.0
Total	219	0	0.0	159	72.6

Table 3.4.8: Promotions by critical occupation, 1 April 2014 to 31 March 2015

Critical Occupation	Employees as at 31 March 2014	Promotions to another salary level	Promotions as a % of employees	Progressions to another notch within a salary level	Notch progressions as a % of employees
None	0	0	0	0	0
Total	0	0	0	0	0

3.5 Employment equity

Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2015

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	1	0	0	0	0	0	0	0	0	1
Senior management (Levels 13-14)	1	6	0	2	1	4	1	1	0	0	16
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	8	22	1	4	6	34	2	9	1	0	87
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	11	11	0	0	16	18	1	3	0	0	60
Semi-skilled and discretionary decision making (Levels 3-5)	4	4	1	1	9	25	0	3	0	0	47
Unskilled and defined decision making (Levels 1-2)	0	2	0	0	1	1	0	0	0	0	4
Total	24	46	2	7	33	82	4	16	1	0	215
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	24	46	2	7	33	82	4	16	1	0	215

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational levels include all permanent, part-time and contract employees. Furthermore the information is presented by salary level and not post level. For the number of employees with disabilities, refer to Table 3.5.2.

Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2015

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	1	0	0	0	0	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	1	0	0	0	0	1
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	0	0	0	1	0	0	0	0	2
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	0	1	0	0	0	1	0	0	0	0	2

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational level include all permanent, part-time and contract employees. Furthermore the information is presented by salary level and not post level.

Table 3.5.3: Recruitment, 1 April 2014 to 31 March 2015

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	1	0	0	1
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	2	2	0	0	2	0	1	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	1	0	0	0	3	4	0	0	0	0	8
Semi-skilled and discretionary decision making (Levels 3-5)	1	2	0	0	3	6	0	0	0	0	12
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	0	0	0	0	0	0	1
Total	4	5	0	0	8	10	1	1	0	0	29
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	4	5	0	0	8	10	1	1	0	0	29

A = African; C = Coloured; I = Indian; W = White.

Note: Recruitment refers to new employees, including transfers into the Department, as per Table 3.4.1.

Table 3.5.4: Promotions, 1 April 2014 to 31 March 2015

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	0	0	0	0	0	0	0	0	0	0	0

A = African; C = Coloured; I = Indian; W = White.

Note: Promotions refer to the total number of employees promoted within the Department, as per Table 3.4.7.

Table 3.5.5: Terminations, 1 April 2014 to 31 March 2015

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	6	0	1	2	1	1	2	1	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	2	0	0	3	5	0	0	0	0	10
Semi-skilled and discretionary decision making (Levels 3-5)	1	0	0	0	1	4	0	0	0	0	6
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
Total	1	8	0	1	6	10	1	2	1	0	30
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	1	8	0	1	6	10	1	2	1	0	30

A = African; C = Coloured; I = Indian; W = White.

Note: Terminations refer to those employees who have left the employ of the Department, including transfers to other departments, as per Table 3.4.1.

Table 3.5.6: Disciplinary actions, 1 April 2014 to 31 March 2015

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
None	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

A = African; C = Coloured; I = Indian; W = White.

Note: The disciplinary actions total refers to formal outcomes only and not headcount. For further information on the outcomes of the disciplinary hearings and types of misconduct addressed at disciplinary hearings, please refer to Tables 3.12.2 and Table 3.12.3.

Table 3.5.7: Skills development, 1 April 2014 to 31 March 2015

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	3	0	0	0	0	1	1	5
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	8	0	1	1	11	0	4	26
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	4	0	1	5	8	0	0	19
Semi-skilled and discretionary decision making (Levels 3-5)	1	4	0	1	8	10	1	1	26
Unskilled and defined decision making (Levels 1-2)	13	8	0	0	2	11	0	0	34
Total	17	27	0	2	16	40	2	6	110
Temporary employees	0	0	0	0	0	0	0	0	0
Grand total	17	27	0	2	16	40	2	6	110

A = African; C = Coloured; I = Indian; W = White.

Note: The above table refers to the total number of personnel (including all categories of interns) 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 3.13.2.

3.6 Signing of performance agreements by SMS members

Table 3.6.1: Signing of Performance Agreements by SMS Members, as at 31 August 2014

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
Director-General/ Head of Department	1	1	1	100.0
Salary level 16, but not HOD	0	0	0	0.0
Salary Level 15	0	0	0	0.0
Salary Level 14	6	5	5	100.0
Salary Level 13	18	11	10	90.9
Total	25	17	16	94.1

Note: The allocation of performance-related rewards (cash bonus) for Senior Management Service members is dealt with later in the report. Please refer to Table 3.8.5.

Table 3.6.2: Reasons for not having concluded Performance Agreements with all SMS on 31 August 2014

Reasons for not concluding Performance Agreements with all SMS
1 x SL 13 newly appointed and still within the 3 months to sign PA

Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 August 2014

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
None

3.7 Filling of SMS posts

Table 3.7.1: SMS posts information, as at 30 September 2014

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/ Head of Department	1	1	100.00	0	0.00
Salary level 16, but not HOD	0	0	0.00	0	0.00
Salary Level 15	0	0	0.00	0	0.00
Salary Level 14	5	5	100.00	0	0.00
Salary Level 13	17	11	64.71	6	35.29
Total	23	17	73.91	6	26.09

Table 3.7.2: SMS posts information, as at 31 March 2015

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/ Head of Department	1	1	100.00	0	0.00
Salary level 16, but not HOD	0	0	0.00	0	0.00
Salary Level 15	0	0	0.00	0	0.00
Salary Level 14	5	5	100.00	0	0.00
Salary Level 13	15	11	73.33	4	26.67
Total	21	17	80.95	4	19.05

Table 3.7.3: Advertising and Filling of SMS posts, as at 31 March 2015

SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised in 6 Months of becoming Vacant	Number of Vacancies per Level Filled in 6 Months after becoming Vacant	Number of Vacancies per Level not Filled in 6 Months but Filled in 12 Months
Director-General/ Head of Department	0	0	0
Salary level 16, but not HOD	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	1	0	1
Total	1	0	1

Table 3.7.4: Reasons for not having complied with the filling of funded vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant

SMS Level	Reasons for non-compliance
Director-General/ Head of Department	N/A
Salary level 16, but not HOD	N/A
Salary Level 15	N/A
Salary Level 14	N/A
Salary Level 13	Director: Tourism Growth Department is undergoing a modernisation process, and the filling of the posts have been placed on hold, until the process has been concluded.
	Director: ICT Industries Department is undergoing a modernisation process, and the filling of the posts have been placed on hold, until the process has been concluded.
	Director: Economic Development Integration Department is undergoing a modernisation process, and the filling of the posts have been placed on hold, until the process has been concluded.
	Director: Skills Strategy Stakeholder Man & Skills Secretariat Department is undergoing a modernisation process, and the filling of the posts have been placed on hold, until the process has been concluded.

Table 3.7.5: 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
None

3.8 Employee performance

Table 3.8.1: Notch progressions by salary band, 1 April 2014 to 31 March 2015

Salary Band	Employees as at 31 March 2014	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	3	3	100.0
Skilled (Levels 3-5)	44	30	68.2
Highly skilled production (Levels 6-8)	62	46	74.2
Highly skilled supervision (Levels 9-12)	94	68	72.3
Senior management (Levels 13-16)	16	12	75.0
Total	219	159	72.6

Table 3.8.2: Notch progressions by critical occupation, 1 April 2014 to 31 March 2015

Critical Occupations	Employees as at 31 March 2014	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
None	0	0	0.0
Total	0	0	0.0

To encourage good performance, the Department has granted the following performance rewards allocated to personnel for the performance period 2013/14, but paid in the financial year 2014/15. The information is presented in terms of race, gender, and disability (Table 3.8.3), salary bands (Table 3.8.4 and Table 3.8.5) and critical occupations (Table 3.8.6).

Table 3.8.3: Performance rewards by race, gender, and disability, 1 April 2014 to 31 March 2015

Race and Gender	Beneficiary Profile		Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2014	% of total within group	Cost	Average cost per beneficiary
				(R'000)	(R)
African	9	51	17.6	157	17 377
Male	5	21	23.8	106	21 103
Female	4	30	13.3	51	12 718
Coloured	42	132	31.8	1 160	27 615
Male	16	48	33.3	519	32 450
Female	26	84	31.0	641	24 640
Indian	1	6	16.7	42	41 513
Male	1	2	50.0	42	41 513
Female	0	4	0.0	0	0
White	4	27	14.8	116	28 968
Male	1	10	10.0	42	42 169
Female	3	17	17.6	74	24 567
Employees with a disability	2	3	66.7	49	24 630
Total	58	219	26.5	1 524	26 256

Note: The above table relates to performance rewards for the performance year 2013/14 and payment effected in the 2014/15 reporting period.

Table 3.8.4: Performance rewards by salary bands for personnel below Senior Management Service Level, 1 April 2014 to 31 March 2015

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2014	% of total within salary bands	Cost	Average cost per beneficiary	Cost as a % of the total personnel expenditure
				R'000	R'000	
Lower skilled (Levels 1-2)	1	3	33.3	6	5 523	0.0
Skilled (Levels 3-5)	6	44	13.6	50	8 335	0.1
Highly skilled production (Levels 6-8)	15	62	24.2	262	17 438	0.3
Highly skilled supervision (Levels 9-12)	28	94	29.8	802	28 634	1.0
Total	50	203	24.6	1 120	22 377	1.4

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1-12, reflected in Table 3.1.2.

Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 01 April 2014 to 31 March 2015

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2014	% of total within salary bands	Cost	Average cost per beneficiary	Cost as a % of the total personnel expenditure
				R'000	R'000	
Senior Management Service Band A (Level 13)	3	10	30.0	123	40 944	0.7
Senior Management Service Band B (Level 14)	4	5	80.0	199	49 801	1.2
Senior Management Service Band C (Level 15)	1	1	100.0	82	81 989	0.5
Senior Management Service Band D (Level 16)	0	0	0.0	0	0	0.0
Total	8	16	50.0	404	50 503	2.4

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 13-16, reflected in Table 3.1.2.

Table 3.8.6: Performance rewards by critical occupations, 1 April 2014 to 31 March 2015

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2014	% of total within salary bands	Cost	Average cost per beneficiary	Cost as a % of the total personnel expenditure
				R'000	R'000	
None	0	0	0	0	0	0
Total	0	0	0.0	0	0	0.0

3.9 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 3.9.1: Foreign Workers by salary band, 1 April 2014 to 31 March 2015

Salary Bands	1 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0.0	0	0.0	0	0.0
Skilled (Levels 3-5)	0	0.0	0	0.0	0	0.0
Highly skilled production (Levels 6-8)	0	0.0	0	0.0	0	0.0
Highly skilled supervision (Levels 9-12)	2	100.0	1	100.0	-1	50.0
Senior management (Levels 13-16)	0	0.0	0	0.0	0	0.0
Total	2	100.0	1	100.0	-1	50.0

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

Table 3.9.2: Foreign Workers by major occupation, 1 April 2014 to 31 March 2015

Major Occupation	1 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% change
Line function and Support	2	100.0	1	100.0	-1	50.0
Total	2	100.0	1	100.0	-1	50.0

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

3.10 Leave utilisation for the period 1 January 2014 to 31 December 2014

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 3.10.1) and incapacity leave (Table 3.10.2). In both cases, the estimated cost of the leave is also provided.

Table 3.10.1: Sick leave, 1 January 2014 to 31 December 2014

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)	17	82.4	1	4	25.0	17	5
Skilled (Levels 3-5)	227	75.3	35	53	66.0	6	110
Highly skilled production (Levels 6-8)	381	81.9	58	72	80.6	7	339
Highly skilled supervision (Levels 9-12)	447	77.2	73	98	74.5	6	630
Senior management (Levels 13-16)	28	82.1	8	17	47.1	4	62
Total	1 100	78.6	175	244	71.7	6	1 146

Note: The three-year sick leave cycle started in January 2013. 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 3.10.2.

Table 3.10.2: Incapacity leave, 1 January 2014 to 31 December 2014

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)	0	0.0	0	4	0.0	0	0
Skilled (Levels 3-5)	9	100.0	1	53	1.9	9	5
Highly skilled production (Levels 6-8)	0	0.0	0	72	0.0	0	0
Highly skilled supervision (Levels 9-12)	0	0.0	0	98	0.0	0	0
Senior management (Levels 13-16)	0	0.0	0	17	0.0	0	0
Total	9	100.0	1	244	0.4	9	5

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 or 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.

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 Policy on Incapacity Leave and Ill-Health Retirement.

Table 3.10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Commission Bargaining Chamber in 2000 requires management of annual leave to prevent high levels of accrued leave having to be paid at the time of termination of service.

Table 3.10.3: Annual Leave, 1 January 2014 to 31 December 2014

Salary Band	Total days taken	Total number employees using annual leave	Average days per employee
Lower skilled (Levels 1-2)	57	3	19
Skilled (Levels 3-5)	816	49	17
Highly skilled production (Levels 6-8)	1 205	69	17
Highly skilled supervision (Levels 9-12)	1 966	96	20
Senior management (Levels 13-16)	293	16	18
Total	4 337	233	19

Table 3.10.4: Capped leave, 1 January 2014 to 31 December 2014

Salary Band	Total capped leave available as at 31 Dec 2013	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 2014	Total capped leave available as at 31 Dec 2014
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	45	1	1	1	6	45.12
Highly skilled supervision (Levels 9-12)	386	13	2	7	19	421.18
Senior management (Levels 13-16)	93	0	0	0	4	93.24
Total	525	14	3	5	29	560

Note: It is possible for the total number of capped leave days to increase as employees who were promoted or transferred into the Department, retain their capped leave credits, which form part of that specific salary band and ultimately the departmental total.

Table 3.10.5: Leave pay-outs, 1 April 2014 to 31 March 2015

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs for 2014/15 due to non-utilisation of leave for the previous cycle	82	2	40 890
Capped leave pay-outs on termination of service for 2014/15	0	0	0
Current leave pay-outs on termination of service 2014/15	0	0	0
Total	82	2	40 890

3.11 HIV and AIDS & Health promotion programmes

Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2014 to 31 March 2015

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
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>HIV/AIDS Counselling and Testing [HCT] and Wellness screenings sessions were conducted in general. The outsourced Health and Wellness contract (Employee Health and Wellness Programme [EHWP]) provides employees and their immediate family members [it means the spouse or partner of an employee or children living with an employee] are provided with a range of services. These services include the following:</p> <ul style="list-style-type: none"> • 24/7/365 Telephone counselling; • Face to face counselling (6 + 2 session model); • Trauma and critical incident counselling; • Advocacy on HIV&AIDS awareness, including on-line E-Care services and • Training, coaching and targeted interventions where these were required.

Table 3.11.2: Details of Health Promotion and HIV and AIDS Programmes, 1 April 2014 to 31 March 2015

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Ms Reygana Shade, Director: Organisational Behaviour, (Department of the Premier).
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>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to eleven participating departments.</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 departments.</p> <p>The unit consists of a Deputy Director, two Assistant Directors, and four team members.</p> <p>Budget : R2 million</p>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	√		<p>The Department has entered into a service level agreement with ICAS [Service Provider] to render an Employee Health and Wellness Service to the eleven departments participating within the Corporate Services Centre [CSC].</p> <p>The Department conducted interventions namely, Employee Advocacy & Awareness, Managerial Referral, Child & Family Care, Sexual Harassment, Emotional, Sexual Abuse Awareness, Work-Life Balance, Financial Wellbeing, Addictive Behaviour, Stress & Resilience, Relationship Enrichment, Emotional Impact Assessment, Self-Development, Conflict Management, Mental Health Awareness and coaching for employees. These interventions were planned based on the trends reported quarterly through the Employee Health and Wellness Programme [EHWP] reports provided by the service provider, ICAS, for the period 2013/14. The reports were based on the utilisation of the EHW 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 the targeted departments, managers and supervisors as well as executive coaching for SMS members.</p> <p>The Department also provided information sessions, as requested by various departments in the Western Cape Government [WCG] to inform employees of the EHW service, how to access the Employee Health and Wellness Programme [EHWP]. Promotional material such as pamphlets, posters and brochures were distributed.</p>

Question	Yes	No	Details, if yes
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>The Department of Economic Development and Tourism is represented by the following committee members: C Julies & N Smit</p>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western 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 govern Employee Health and Wellness [EHW] in the Public Service and that coordinate 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 for ratification.</p> <p>Further to this, the Department of Health has currently approved the Transversal HIV and AIDS/ STI Workplace Policy and Programme that will be applicable to all departments of the Western Government. The document is in line with the four pillars of the EHW Strategic Framework 2008.</p>
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		<p>Strategic Plan on HIV/AIDS, STIs and TB 2012-2016 to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The overarching aim of the said Provincial Strategic Plan 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 implemented the Provincial Also, the Department is conducting the HCT and Wellness screening sessions to ensure that every employee in the Department is tested for HIV and screened for TB, at least annually,</p>

Question	Yes	No	Details, if yes
	√		<p>The aim was to:</p> <ul style="list-style-type: none"> • Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees. • Reduce unfair discrimination in access to services. This included ensuring that the Employee Relations Directorate addresses complaints or grievances and provides training to employees. <p>Other key elements that addressed anti HIV/AIDS discrimination issues were: Wellness Screenings and TB Testing Sessions with specific requests from departments were conducted, posters and pamphlets were distributed, HIV/AIDS counselling [HCT] and TB Testing were conducted, condom programme and spot talks, including [HIV/AIDS speak out programme] were also conducted.</p>
7. Does the Department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have achieved.	√		<p>HCT SESSIONS:</p> <p>The following screening sessions were conducted:</p> <p>Blood pressure, Glucose, Cholesterol, TB, BMI [body mass index] and spot talks.</p> <p>The Department of Economic Development & Tourism participated in 1 HCT and Wellness screening sessions.</p> <p>94 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).</p>
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 through 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 2014 – 2015.</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, no. 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>

3.12 Labour relations

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

Table 3.12.1: Collective agreements, 1 April 2014 to 31 March 2015

Total collective agreements
None

Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 3.12.2: Misconduct and disciplinary hearings finalised, 1 April 2014 to 31 March 2015

Outcomes of disciplinary hearings	Number	% of total
None	0	0.0
Total		
Percentage of total employment		0.0

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2014 to 31 March 2015

Type of misconduct	Number	% of total
None	0	0.0
Total	0	0.0

Table 3.12.4: Grievances lodged, 1 April 2014 to 31 March 2015

Grievances lodged	Number	% of total
Number of grievances resolved	0	0.0
Number of grievances not resolved	1	100.0
Total number of grievances lodged	1	100.0

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 3.12.5: Disputes lodged with Councils, 1 April 2014 to 31 March 2015

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0.0
Number of disputes dismissed	0	0.0
Total number of disputes lodged	0	0.0

Note: Councils refer to the Public Service Coordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC).

Table 3.12.6: Strike actions, 1 April 2014 to 31 March 2015

Strike actions	Number
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 3.12.7: Precautionary suspensions, 1 April 2014 to 31 March 2015

Precautionary suspensions	Number
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

Note: Precautionary suspensions refer to staff being suspended with pay whilst the case is being investigated.

3.13 Skills development

This section highlights the efforts of the Department with regard to skills development. Table 3.13.1 reflect the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

Table 3.13.1: Training needs identified, 1 April 2014 to 31 March 2015

Occupational Categories	Gender	Number of employees as at 1 April 2014	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	0	0	0
	Male	10	0	0	0	0
Professionals Technicians and associate professionals	Female	9	0	30	0	30
	Male	9	0	21	0	21
Technicians and associate professionals	Female	70	0	82	0	82
	Male	39	0	80	0	80
Clerks	Female	71	0	57	0	57
	Male	31	0	20	0	20
Service and sales workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	2	0	0	0	0
	Male	1	0	0	0	0
Sub Total	Female	160	0	169	0	169
	Male	92	0	121	0	121
Total		252	0	290	0	290
Employees with disabilities	Female	2	0	0	0	2
	Male	1	0	0	0	1

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Workplace Skills Plan.

Table 3.13.2: Training provided, 1 April 2014 to 31 March 2015

Occupational Categories	Gender	Number of employees as at 31 March 2015	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	2	0	2
	Male	10	0	7	0	7
Professionals	Female	8	0	25	0	25
	Male	9	0	15	0	15
Technicians and associate professionals	Female	66	0	20	0	20
	Male	36	0	6	0	6
Clerks	Female	69	0	81	0	81
	Male	28	0	110	0	110
Service and sales workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	2	0	4	0	4
	Male	2	0	4	0	4
Sub Total	Female	153	0	132	0	132
	Male	87	0	142	0	142
Total		240	0	274	0	274
Employees with disabilities	Female	1	0	0	0	1
	Male	1	0	0	0	1

Note: The above table identifies the number of training courses attended by individuals (including all categories of interns) during the period under review.

3.14 Injury on duty

Table 3.14.1 provides basic information on injury on duty.

Table 3.14.1: Injury on duty, 1 April 2014 to 31 March 2015

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary disablement	0	0
Permanent disablement	0	0
Total	0	0
Percentage of total employment		0

3.15 Utilisation of consultants

Table 3.15.1: Report on consultant appointments using appropriated funds, 1 April 2014 to 31 March 2015

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
READINESS ADVISOR	1	Mar 2014 – Mar 2015	R4 363 115.98	Provide strategic advice and direction to the department. Conduct research and analysis and develop 18 readiness proposals/designation documents. Develop 2 roadmaps.
GLOBAL ENTREPRENEURSHIP MONITOR	36	Feb 2014	R117 747.72	Compilation of research data culminating in the 2012 GEM SA Report.
TRANSACTION ADVISOR: LNG IMPORTATION	1	Mar 2014 – Dec 2014	R1 645 527.71	<ol style="list-style-type: none"> 1) Draft terms of reference for a full economic-technical feasibility study into the importation of liquefied natural gas in the Western Cape; 2) Advise the Department on the selection of preferred bidders for the delivery of said feasibility study; 3) Advise the Department on contractual matters and service level agreements for the delivery of said feasibility study; 4) Engage funding partners, negotiate terms of funding and secure funding agreements in respect of the project; 5) On an on-going basis, engage national stakeholders in the energy industry, including Eskom, Nersa, PetroSA, IDC; 6) On an on-going basis, liaise with preferred service providers concerning progress with the feasibility study;

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
				<p>7) Once the feasibility study is completed, there will be a critical path of processes to deliver. The transaction advisor is required to play a leading role in the identification of suitable financing partners, the initiation of EIA processes, the resolution of regulatory issues, and, most critically, engaging with Eskom to put out a gas power-purchase agreement to the open market;</p> <p>8) Act as Transaction Advisor for the Department on the activities and related activities described above.</p>
INVESTMENT MAPPING	15	Mar 2014 – May 2014	R143 272.90	Mapping of investment in 5 sub sectors of Green Economy: Consolidated draft report and presentation of final report.
WORK AND SKILLS	12	Mar 2014 – Sep 14	R1 206 516.66	Placement of unemployed youth with host companies and the payment of stipends.
TRANSVERSAL SKILLS	2	Jan 2014 – May 2014	R150 000.00	Draft Report: Evaluation Of Transversal Skills Interventions In Supporting Growth and Jobs.
TRANSACTION ADVISOR: BROADBAND	40	Mar 2014 – Jan 2015	R13 268 051.87	Appointed as Transaction Advisors (as per NT regulations). Development of a feasibility study using a PPP model for the following projects: Connected Households/Connected Business/Connected Communities and Cost Effective Communities. The feasibility study process included the following elements: needs analysis/ solutions options/due diligence/value-assessment and procurement solution.
WORK AND SKILLS	13	Jan 2014 – Oct 2014	R2 254 787.35	Placement of unemployed youth with host companies and the payment of stipends
CONNECTED LEADERSHIP	10	Feb 2014 – Jan 2017	R1 917 480.00	Developed a methodology to undertake a regional baseline and impact study for broadband and undertake first baseline study.
GENIUS OF PLACE PHASE 3	3	Mar 2014	R467 500.00	Green Economy Biomimicry Project Genius of Place. Deliverables: 1) Report containing detailed design and costing for four prototypes; 2) Business case feasibility study; 3) List of potential funding partners.
RED TAPE REDUCTION BENCHMARKING	1	Mar 2014 – May 2014	R48 056.51	Feasibility study into creating a province- wide municipal red tape reduction benchmarking programme in the Western Cape.
E-SKILLING	12	Mar 2014 – Dec 2014	R939 020.22	Develop a Skills Intelligence Platform(SIP) to facilitate collaboration between members of the PSF and communication/ interaction with the members of the public. Developed a public digital Learning Management System(LMS)

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
ENVIRONMENTAL SCREENING STUDY	3	Jun 2014 – Aug 2014	R374 917.50	<ol style="list-style-type: none"> 1) An environmental screening and safety study on the transfer of LNG at the locations and conditions described in the bid documents; 2) A detailed report on the findings of the environmental screening and safety study on the planned importation of LNG to the Cape West Coast region. The report is to be provided in English and shall have an executive summary and conclusion chapters. The executive summary should concisely summarise the study process and the conclusions of the assessment; 3) One electronic copy in Microsoft Word format and five hard copy sets of the document are to be provided.
ON SHORE MARINE STUDY	3	Jul 2014 – Sep 2014	R372 217.41	<ol style="list-style-type: none"> 1) A preliminary assessment of the marine environmental conditions for the offloading and transfer of LNG at the locations and conditions described in the bid documents; 2) A detailed report on the findings of the on-shore marine environmental conditions on the planned importation of LNG to the Cape West Coast region. The report is to be provided in English and shall have an executive summary and conclusion chapters. The executive summary should concisely summarise the study process and the conclusions of the assessment; 3) One electronic copy in Microsoft Word format and five hard copy sets of the document are to be provided.
OFF SHORE MARINE STUDY	3	Jul 2014 – Sep 2014	R373 346.01	<ol style="list-style-type: none"> 1) A preliminary assessment of the marine environmental conditions for the offloading and transfer of LNG at the locations and conditions described in the bid documents; 2) A detailed report on the findings of the offshore marine environmental conditions on the planned importation of LNG to the Cape West Coast region. The report is to be provided in English and shall have an executive summary and conclusion chapters. The executive summary should concisely summarise the study process and the conclusions of the assessment; 3) One electronic copy in Microsoft Word format and five hard copy sets of the document are to be provided.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
BROADBAND PROJECT OFFICE	7	Mar 2014 – Mar 2015	R8 607 237.92	To provide technical oversight, technical guidance and technical implementation of the PPP-related broadband stream 2 projects. (Phase 1: oversight of the PPP process, Phase 2: development of implementation plans to take forward PPP recommendations.)
ENTERPRISING CAPE STRATEGY FRAMEWORK	1	Mar 2014	R76 499.20	Development of an Enterprise Development Strategy.
SCM STRATEGY	Not indicated	Mar 2014 – Mar 2015	R95 396.00	SCM strategic document for the Department.
RED TAPE CHALLENGE AWARDS	1	Apr 2014	R181 500.00	Planning venue for awards and organising of the event.
CHIEF ECONOMIC ADVISOR	1	Apr 2014 – Mar 2015	R204 999.98	Received Economic Advisory Services.
INFORMATION SESSION	1	Jun 2014	R39 000.00	298 Tourist guides attended Information Sessions on various topics such as Biomes and Biological Heritage, Tax and Mobile Solutions, How to start a co-operative and How to grow your business. These information sessions equipped individuals with new knowledge to operate guided tours more effectively and professionally thereby enhancing the quality of services.
GREEN ECONOMY	1	Mar 2014	R6 500.00	Facilitation of one-day workshop.
ENTERPRISE DEVELOPMENT GRANT FUND	1	May 2014 – Jul 2014	R102 000.00	Assessment of applicants to the Enterprise Development Grant Fund.
UPSKILLING OF TOURIST GUIDES	2	May 2014 – Nov 2014	R47 500.00	33 Tourist guides were upskilled through the administration of the Reassessment Tool. These learners were loaded onto the CATHSSETA database and received learner numbers.
SMALL BUSINESS CONNECT NEWSPAPER	Not indicated	May 2014 – Feb 2015	R397 500.00	Compile a province specific insert into the national publication and print 6 000 additional copies for six editions.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
SOCIAL MEDIA TRAINING	1	Jun 2014 – Dec 2014	R90 000.00	61 Tourist guides underwent and completed social media marketing training to enable them to compete on the digital platform and market themselves.
GEM PROJECT	Not indicated	Mar 2014 – May 2014	R430 038.48	Compilation of research data culminating in the 2013 GEM SA Report.
IFMS AUDIT	5	Mar 2014	R150 000.00	To ensure the validity of information contained on the electronic leave system (IFMS).
ILLEGAL GUIDING	1	Jun 2014 – Feb 2015	R145 638.00	1 045 individuals/business acting as tourist guides were inspected to create awareness of legislation and to reduce incidence of illegal guiding.
INNOVATE WESTERN CAPE	1	May 2014 – Feb 2015	R292 000.00	To host eight New Idea Generation Workshops and eight Pitch Sessions in the Cape Metro and surrounds.
SUPPLIER DEVELOPMENT PROGRAMME	2	Jun 2014	R210 000.00	The e-skills and business skills training provided to 29 UWC and CPUT suppliers.
BBBEE CERTIFICATION VERIFICATION	Not indicated	Jun 2014 – Oct 2014	R301 000.00	Issuing of 430 BBBEE verification certificates to Exempted Micro Enterprises.
PERA ADJUDICATOR	9	Jun 2014 – Dec 2014	R335 046.00	Adjudication of 300 entrants to the PERA - which resulted in 15 finalists.
ACCESS TO MARKETS	15	Apr 2014 – Mar 2015	R299 999.99	500 SMMEs were subsidised with access to economic opportunities and markets through a corporate procurement portal system.
TRANSVERSAL BUILT ENVIRONMENT SUPPORT PROJECT	11	Jul 2014 – Sep 2014	R364 800.00	The specialist study focused on gathering evidence, developing a criterion, and producing a proposal needed to inform the positioning of decentralised informal economic sector activity in a municipal area to better inform and improve alignment of municipal LED plans (aligned to the SDF and HSP) of that municipality.
CUSTOMER CARE	1	Jul 2014 – Dec 2014	R74 898.00	96 current employees in the tourism industry were successfully trained to receive certification on the Cathsseta Accredited Customer Service Training Programme within the Cape Town, Cape Winelands and Overberg regions.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
REGIONAL ECONOMIC AGENDA	1	Jul 2014 – Sep 2014	R297 180.00	The REA project was undertaken to develop five regional economic agendas (one per district) that assists the Department in adopting relevant work programmes in municipalities based on the regional economic priorities identified per the five district regions. The deliverables included independent, facilitated stakeholder engagement sessions in all the regions, facilitation of departmental engagement on the findings, inputs from the sectoral programmes, and facilitated external stakeholder engagements to establish buy-in for regions.
SOCIO-ECONOMIC IMPACT ASSESSMENT	4	Jul 2014 – Aug 2014	R61 230.80	<ol style="list-style-type: none"> 1) A Socio-Economic Impact Assessment on the proposed LNG importation project and the associated benefits that commercial, industrial, power generating and transport industries will experience from the introduction of natural gas as an alternative energy feedstock to the region; 2) A detailed report on the findings of the Economic Impact Assessment. The report is to be provided in English and shall have an executive summary and conclusion chapters. The executive summary should concisely summarise the study process and the conclusions of the assessment. One electronic copy in Microsoft Word format and five hard copy sets of the document are to be provided.
PERA PLAQUES AND TROPHIES	5	Jul 2014	R19 665.00	Sourcing and engraving of 25 plaques and 1 trophy for the runners-up and winners of the PERA.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
CB2: EDEN DISTRICT	4	Aug 2014 – Oct 2014	R299 340.00	The provision of access to PACA and GENESIS RLED tools and expert facilitation to identified municipalities to assist in establishing of sound informants to the LED strategies for Oudtshoorn, Bitou and Eden District Municipalities. Specific deliverables included - training of the municipal LED team in the RLED tools, developing a communications process to be implemented, gathering current data on the local economy and conducting workshops and a series of interviews with key economic stakeholders, developing implementable actions to be executed, feedback and securing volunteers/champions for projects and developing the findings and identified interventions into a strategic document that can be used to inform strategies developed by the local municipalities.
INVESTMENT READINESS	1	Jul 2014 – Jan 2015	R500 000.00	Capacitating entrepreneurs in the field of alternative funding sources.
PERA: MC AND ENTERTAINMENT	7	Nov 2014	R68 400.00	Master of ceremonies and entertainment for the PERA.
QUARTERLY ECONOMIC REVIEW	2	Aug 2014 – Dec 2014	R104 987.74	Final report of second and fourth Quarterly Economic Review.
PERA- VIDEOGRAPHER AND PHOTOGRAPHER	3	Sep 2014 – Nov 2014	R83 960.00	Provision of videography service to produce a video for the PERA and provision of photographic services at the PERA ceremony.
YOUTH ENTREPRENEURSHIP CONFERENCE	5	Sep 2014 – Mar 2015	R41 467.20	Provision of catering, décor and a venue for the Youth Entrepreneurship Conference.
GENESIS PROJECT: DRAKENSTEIN MUNICIPALITY	4	Sep 2014 – Nov 2014	R238 800.00	The provision of access to GENESIS RLED tools and expert facilitation to identified municipalities to assist in establishing sound informants to the LED strategies for Oudtshoorn, Bitou and Eden District Municipalities. Specific deliverables included - training of the municipal LED team in the RLED tools, developing a communications process to be implemented, gathering current data on the local economy and conducting workshops and a series of interviews with key economic stakeholders, developing implementable actions to be executed, feedback and securing volunteers/champions for projects and developing the findings and identified interventions into a strategic document that can be used to inform strategies developed by the local municipalities.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
PACA OVERBERG	1	Sep 2014 – Dec 2014	R349 950.00	The provision of access to PACA RLED tools and expert facilitation in each of the Overberg local municipalities to assist in establishing sound informants to the LED. Specific deliverables included - training of the municipal LED team in the RLED tools, developing a communications process to be implemented, gathering current data on the local economy and conducting workshops and a series of interviews with key economic stakeholders, developing implementable actions to be executed, feedback and securing volunteers/champions for projects and developing the findings and identified interventions into a strategic document that can be used to inform strategies developed by the local municipalities.
SETA CLUSTER CO-ORDINATOR	1	Sep 2014 – Mar 2015	R280 000.00	Seta cluster coordination and collaborative agreements.
RED TAPE CHALLENGE: DEVELOPMENT OF A PROPOSAL	Not indicated	Oct 2014 – Dec 2014	R412 491.90	Report submitted detailing the entry process of competition, adjudication process, developing marketing material and identification of winners for competition.
WEST COAST MUNICIPALITY	1	Oct 2014 – Jan 2015	R224 124.00	Report submitted detailing the prioritised red tape blockages experienced in three municipalities in the West Coast District, together with recommendations on how these blockages can be improved.
OVERBERG MUNICIPALITY	1	Oct 2014 – Jan 2015	R283 233.00	Final report indicating the red tape issues in Overstrand and Cape Agulhas Municipalities and recommendations to reduce it.
LED MATURITY ASSESSMENTS	1	Oct 2014 – Dec 2014	R399 500.00	To facilitate and conduct LED Maturity Assessments on the 30 municipalities in the Western Cape that includes the assessments, analysis and feedback to municipalities, along with advising on the identification of sound LED practices based on identified challenges and gaps per municipality. Also the development of a Municipal LED Maturity Level Index (based on economic modelling) and the LED Maturity Assessment training provided.
OCCUPATIONAL SKILLS 1 000	Not indicated	Oct 2014 – Mar 2015	R2 034 664.00	Provision of foundational training as entry into formal education work placement.
RESEARCH INITIATIVES: ONE STOP SHOP	3	Oct 2014 – Dec 2014	R96 900.00	Report submitted on survey undertaken, results thereof and case studies.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
RESEARCH INITIATIVES: BUSINESS HELPLINE	3	Oct 2014 – Dec 2014	R91 200.00	Report submitted on survey undertaken, results thereof and case studies.
BPI IN SCM UNIT WITHIN DEDAT	4	Oct 2014 – Dec 2014	R934 399.86	Report submitted on current "as is" process, "to be" process and the relevant costs of both these processes. Report also included business process optimisation recommendations.
GREEN ECONOMY BIOMIMICRY PROJECT	2	Feb 2014 – Jun 2015	R431 467.20	Genius of Place: 1) Presentation and involvement in the Berg River Commute event; 2) ToR with relevant SANS refs Tender Drawings Project Specifications, 3) Investment case.
EDEN DISTRICT MUNICIPALITY	1	Oct 2014 – Jan 2015	R280 668.00	Report submitted detailing the prioritised red tape blockages experienced in five municipalities in Eden District, together with recommendations on how these blockages can be improved.
REGIONAL ENTREPRENEURSHIP WEEK	1	Oct 2014	R9 950.00	Entrepreneurship Awareness Eden - Financial readiness Workshop Heidelberg
REGIONAL ENTREPRENEURSHIP WEEK	1	Oct 2014	R9 950.00	Entrepreneurship Awareness Eden - Financial readiness Workshop Riversdale.
REGIONAL ENTREPRENEURSHIP WEEK	1	Oct 2014	R6 856.50	Entrepreneurship Awareness Eden - Tender Management Workshop Riversdale.
REGIONAL ENTREPRENEURSHIP WEEK	1	Oct 2014	R7 937.00	Entrepreneurship Awareness Eden - Tender Management Workshop Oudtshoorn.
REGIONAL ENTREPRENEURSHIP WEEK	1	Oct 2014	R7 468.50	Entrepreneurship Awareness Eden - Tender Management Workshop Heidelberg.
BETTER LIVING CHALLENGE:	Not indicated	Oct 2014 – Nov 2014	R196 080.00	1) Delivery of final design and build/ materials detail of the exhibition linking structures; 2) Delivery, installation and dismantling of frameworks of the four linking structures.
ENTREPRENEURSHIP WEEK EDEN	3	Oct 2014	R22 000.00	Entrepreneurship Awareness Eden - Social Media and Marketing Workshop Plettenberg Bay.
LED COUNCILLOR TRAINING: UWC	2	Nov 2014 – Dec 2014	R149 704.00	The provision of an accredited 3-5 day training course focused on LED Leadership and Governance of Local Economic Development to a grouping of municipal councillors that included training material, case studies and exercises to be furnished to participants.
KHULISA PROJECT	9	Oct 2014 – Dec 2014	R6 840 000.00	Development of the Khulisa Project.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
METALS AND ENGINEERING COMPETITIVENESS IMPROVEMENT PROJECT	2	Oct 2014 – Feb 2015	R480 000.00	Report on Benchmarking Exercise in Metals & Engineering and Related Industries.
GEOGRAPHIC PRIORITY PROJECT	3	Nov 2014 – Dec 2014	R199 100.00	The key deliverable of this project was to conduct a participatory facilitation process in the four CRDP nodes (Murraysburg, Merweville, Leeu Gamka and Matjiesberg plus Bergsig) in the Central Karoo region. Develop the findings and identified interventions into action plans for each of the four CRDP nodes that can be used to inform the LED Strategy of the local municipalities in the region.
REGIONAL ENTREPRENEURSHIP WEEK	1	Nov 2014	R12 000.00	Entrepreneurship Awareness Overberg - Marketing Workshop Bredasdorp.
REGIONAL ENTREPRENEURSHIP WEEK	1	Nov 2014	R22 000.00	Entrepreneurship Awareness Overberg - Social Media and Marketing Workshop Caledon.
REGIONAL ENTREPRENEURSHIP WEEK	1	Nov 2014	R9 570.00	Entrepreneurship Awareness Overberg - Business Retention and Expansion Workshop Hermanus.
REGIONAL ENTREPRENEURSHIP WEEK: FINANCIAL MANAGEMENT AND COST ACCOUNTING TRAINING	1	Nov 2014	R6 600.00	Entrepreneurship Awareness Overberg - Financial Management Workshop Hermanus.
REGIONAL ENTREPRENEURSHIP WEEK	1	Nov 2014	R30 000.00	Entrepreneurship Awareness Overberg - Business Idea Generation Workshop Grabouw.
REGIONAL ENTREPRENEURSHIP WEEK: TENDER MANAGEMENT TRAINING	1	Nov 2014	R6 720.00	Entrepreneurship Awareness Overberg - Tender Workshop Hermanus.
REGIONAL ENTREPRENEURSHIP WEEK: BUSINESS RETENTION AND EXPANSION	1	Nov 2014	R9 570.00	Entrepreneurship Awareness Overberg - Business Retention and Expansion Workshop Gansbaai.
LIQUOR BY-LAWS	1	Nov 2014	R299 820.00	Report submitted on survey undertaken, results thereof and case studies.
ENTERPRISE DEVELOPMENT FUND ASSESSMENT	1	Feb 2015	R29 712.00	Enterprise development assessments on 12 businesses.
EVALUATION OF THE OCP CONSUMER MANAGEMENT AND AWARENESS PROGRAMMES	3	Nov 2014 – Mar 2015	R478 686.00	Report: Outcomes Evaluation of the Officer of the Consumer Protector Programmes 2014/15.
5 YEAR STRAT PLAN	1	Dec 2014 – Feb 2015	R83 050.00	5-Year Strat Plan 2015-2020 document.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
TOURISM MENTORSHIP PROGRAMME	1	Oct 2014 – Mar 2015	R32 521.82	One backpackers/adventure SMME in Joostenbergvlakte received 36 hours of onsite mentoring over a period of four months in order for the business to grow / to be sustainable.
TOURISM MENTORSHIP PROGRAMME	1	Oct 2014 – Mar 2015	R25 200.00	One tour operator SMME in Rondebosch East received 36 hours of onsite mentoring over a period of four months in order for the business to grow / to be sustainable.
TOURISM MENTORSHIP PROGRAMME	1	Oct 2014 – Mar 2015	R25 200.00	One accommodation SMME in Rondebosch East received 36 hours of onsite mentoring over a period of four months in order for the business to grow / to be sustainable.
TOURISM MENTORSHIP PROGRAMME	1	Oct 2014 – Mar 2015	R24 750.00	One accommodation SMME in Welgemoed North received 36 hours of onsite mentoring over a period of four months in order for the business to grow / to be sustainable.
TOURISM MENTORSHIP PROGRAMME	1	Oct 2014 – Mar 2015	R16 500.00	One accommodation SMME in Kuils River received 36 hours of onsite mentoring over a period of four months in order for the business to grow / to be sustainable.
TOURISM MENTORSHIP PROGRAMME	1	Oct 2014 – Mar 2015	R19 800.00	One accommodation SMME in Mamre received 36 hours of onsite mentoring over a period of four months in order for the business to grow / to be sustainable.
TOURISM MENTORSHIP PROGRAMME	1	Oct 2014 – Mar 2015	R20 000.00	One tour operator SMME in Goodwood received 36 hours of onsite mentoring over a period of four months in order for the business to grow / to be sustainable.
TOURISM MENTORSHIP PROGRAMME	1	Oct 2014 – Mar 2015	R18 000.00	One tour operator SMME in Goodwood received 36 hours of onsite mentoring over a period of four months in order for the business to grow / to be sustainable.
BBPO	5	Jan 2015 – Jan 2016	R1 373 701.69	A global benchmark of the Western Cape's strengths compared to other international locations as a BPO Shared Services destination. The report assesses the potential job creation impact of Shared Services in South Africa. The report identifies demand for Shared Services, clarifies the Western Cape's value proposition and provides recommendations on how to develop and market South Africa and the Western Cape as a global BPO Shared Services destination.
TOURISM MENTORSHIP PROGRAMME	1	Oct 2014 – Mar 2015	R34 110.00	One accommodation SMME in Saldanha Bay received 36 hours of onsite mentoring over a period of four months in order for the business to grow / to be sustainable.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
TOURISM MENTORSHIP PROGRAMME	1	Oct 2014 – Mar 2015	R4 722.24	One tour operator SMME in Elsie's River received 36 hours of onsite mentoring over a period of four months in order for the business to grow / to be sustainable.
INFORMATION SESSION	1	Feb 2015 – Mar 2015	R37 315.00	53 Tourist guides attended an educational Excursion to Franschoek and Victor Verster Prison. Information sessions equip individuals with new knowledge to operate guided tours more effectively and professionally thereby enhancing the quality of services.
SOCIAL MEDIA TRAINING	1	Feb 2015 – Mar 15	R111 400.00	Two groups of 40 tourism SMMEs - 20 tourism SMMEs in the Eden region and 20 tourism SMMEs in the Overberg region each received two days of practical social media training to assist them in the digital marketing of their businesses on various social media platforms. They also received 30-day online support after the training.
BPO SUB-VERTICAL	6	Jan 2015 – Feb 2015	R299 000.00	A global benchmark of the Western Cape's strengths compared to other international locations as a BPO Shared Services destination. The report assesses the potential job creation impact of Shared Services in South Africa. The report identifies demand for Shared Services, clarifies the Western Cape's value proposition and provides recommendations on how to develop and market South Africa and the Western Cape as a global BPO Shared Services destination.
SWARTLAND BOX PARK	1	Feb 2015 – Mar 2015	R299 991.00	The Box Park project aims to support and stimulate legal trading by co-locating formal and informal businesses in innovative but suitable and sustainable infrastructure, on a site in Malmesbury. To ensure the sustainability and feasibility of the infrastructure, a scan of the identified property and needs analysis of the relevant stakeholders and businesses were required. The Department therefore appointed a Service Provider to conduct an environmental and stakeholder scan to inform the planning phase for the Box Park development.

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
WEST COAST INDUSTRIAL PLAN	9	Feb 2015 – Aug 2015	R508 344.00	Project Initiation, Draft Status Quo Report.
EVALUATION OF TRANSVERSAL SKILLS INTERVENTIONS IN SUPPORTING GROWTH AND JOBS	2	Jan 2014 – May 2014, Mar 2015	R25 000.00	Report: Evaluation Of Transversal Skills Interventions In Supporting Growth and Jobs.
TRANSLATION OF THE APP	1	Mar 2015	R66 470.00	To ensure that the Annual Performance Plan is available in three official languages, namely, English, Afrikaans and IsiXhosa.
SOCIO-ECONOMIC IMPACT ASSESSMENT	2	Mar 2015	R551 077.20	1) Draft detailed report on the finding of the LNG socio-economic impact assessment. The report is to be provided in English and shall have an executive summary and conclusion chapters. The executive summary should concisely summarise the study and the conclusions of the assessment; 2) Final report with departmental comments integrated. One electronic copy in Microsoft Word format and five hard copy sets of the document are to be provided.
TOTAL			R59 955 617.06	

Table 3.15.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2014 to 31 March 2015

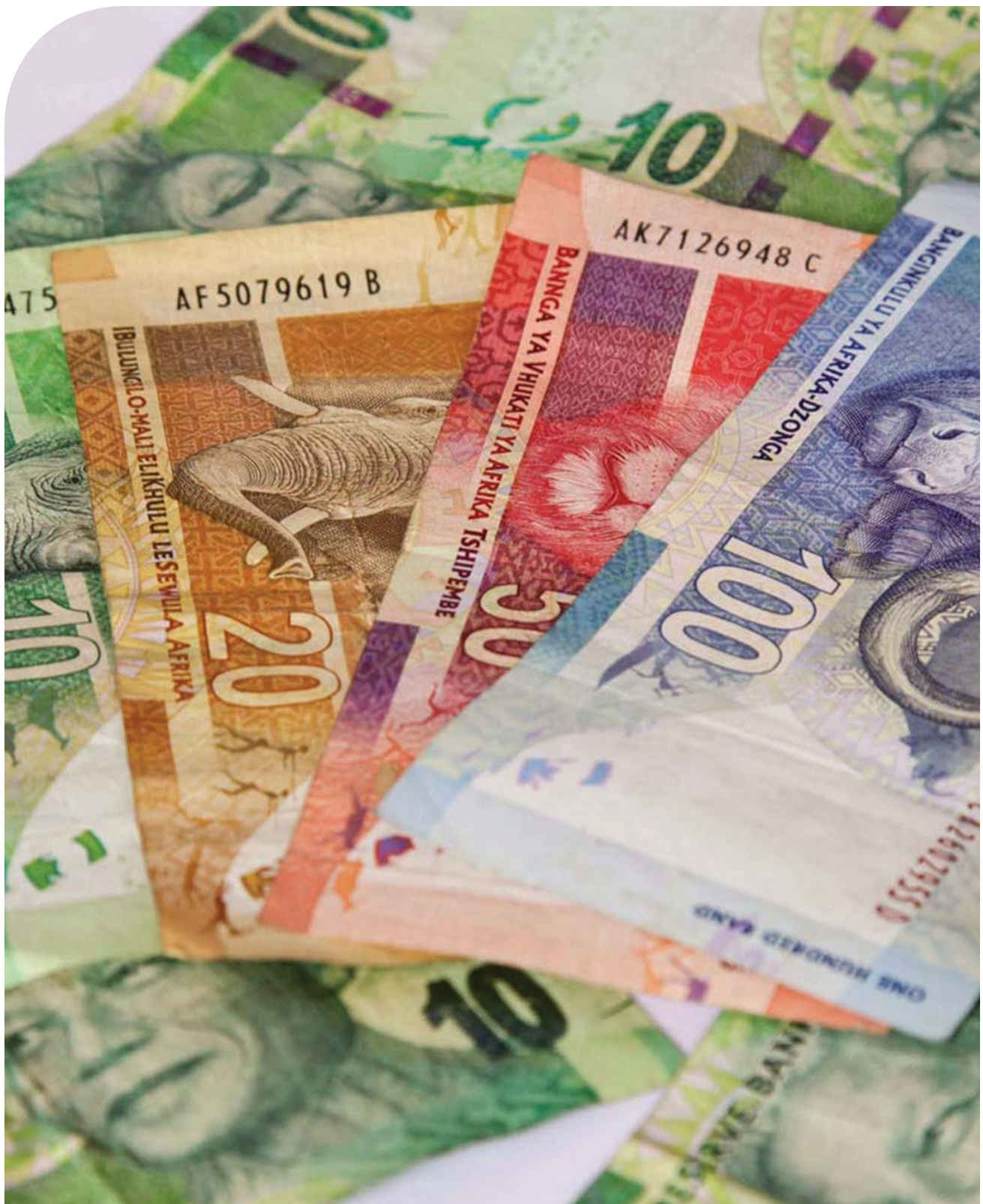
Not Applicable

Table 3.15.3: Report on consultant appointments using Donor funds, 1 April 2014 to 31 March 2015

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand	Key Deliverable
WORK AND SKILLS	13	Apr 2014 – Aug 2014	R6 016 300.00	Placement of unemployed youth with host companies and the payment of stipends.
WORK AND SKILLS	12	Jun 2014 – Mar 2015	R3 307 860.00	Placement of unemployed youth with host companies and the payment of stipends.

Table 3.15.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2014 to 31 March 2015

Not Applicable



Part E: FINANCIAL INFORMATION

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

Report on the financial statements

Introduction

1. I have audited the financial statements of the Western Cape Department of Economic Development and Tourism set out on pages 205 to 287, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as 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 and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2014 (Act No.10 of 2014) 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 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
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 2015 and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

Emphasis of matters

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

Material impairment

8. As is disclosed in note 12.1 to the financial statements, the Department has an impairment of R63,2 million (2013/14: R72,2 million) on the 21,9% (2013/14: 25%) shareholding held by the Provincial Government of the Western Cape in the Cape Town International Convention Centre (Pty) Ltd.

Restatement of corresponding figures

9. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of an error discovered during the 2014/15 financial year in the financial statements of the Department at, and for the year ended, 31 March 2014.

Additional matter

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

Unaudited supplementary schedules

11. The supplementary information set out on pages 288 to 296 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2015:
- Programme 3: Trade and Sector Development on pages 77 to 79
 - Programme 6: Tourism, Arts and Entertainment on pages 105 to 108
14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 3: Trade and Sector Development
 - Programme 6: Tourism, Arts and Entertainment

Additional matters

18. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages 77 to 79 and 105 to 108 for information on the achievement of the planned targets for the year.

Unaudited supplementary schedules / information

20. The supplementary information set out on pages 24 to 76; 80 to 104 and 109 to 132 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

Compliance with legislation

21. I performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

22. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Other reports

Investigations

23. In the current year, three cases were reported to the Provincial Forensic Services for further investigation. Two of these cases were referred by the Department, relating to activities within its reporting entities, namely the procurement process within the Western Cape Investment and Trade Promotion Agency (Wesgro) and liquor licence applications within the Western Cape Liquor Authority (WCLA). The third case related to alleged appointment irregularities within the Department. The investigation relating to the fraudulent licences issued was finalised and reported to the South African Police Services for further investigation, whilst the other two investigations were closed after a preliminary investigation, the outcome of which required no further action.

Auditor - General

Cape Town
30 July 2015



APPROPRIATION STATEMENT for the year ended 31 March 2015

Appropriation per programme											
Voted Funds and Direct Charges	2014/15							2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
1 Administration	35 346	-	210	35 556	35 529	27	99.9%	33 249	33 098		
2 Integrated Economic Development Services	57 124	-	2 498	59 622	59 269	353	99.4%	50 007	50 007		
3 Trade and Sector Development	236 850	-	(255)	236 595	235 959	636	99.7%	129 828	124 240		
4 Business Regulation and Governance	49 193	-	(70)	49 123	49 123	-	100.0%	41 481	41 481		
5 Economic Planning	41 691	-	(452)	41 239	41 014	225	99.5%	34 696	34 690		
6 Tourism, Arts and Entertainment	45 002	-	135	45 137	45 099	38	99.9%	47 554	47 554		
7 Skills Development and Innovation	45 090	-	(2 066)	43 024	43 015	9	100.0%	36 158	36 158		
TOTAL	510 296	-	-	510 296	509 008	1 288	99.7%	372 973	366 228		
TOTAL (brought forward)											
Reconciliation with Statement of Financial Performance											
Add:											
Departmental receipts											
Aid Assistance (revenue)											
Actual amounts per Statement of Financial Performance (Total Revenue)											
Add:											
Aid Assistance (expenditure)											
Actual amounts per Statement of Financial Performance											

APPROPRIATION STATEMENT for the year ended 31 March 2015

Appropriation per economic classification									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	203 178	(5 891)	(2 799)	194 488	194 374	114	99.9%	172 229	169 635
Compensation of employees	96 098	315	(18)	96 395	96 341	54	99.9%	90 791	90 791
Salaries and wages	86 521	171	(18)	86 674	86 620	54	99.9%	-	-
Social contributions	9 577	144	-	9 721	9 721	-	100.0%	-	-
Goods and services	107 080	(6 206)	(2 781)	98 093	98 033	60	99.9%	81 438	78 844
Administrative fees	245	404	(428)	221	218	3	98.6%	-	-
Advertising	5 618	446	-	6 064	6 064	-	100.0%	-	-
Minor assets	236	199	-	435	435	-	100.0%	-	-
Audit costs: External	2 796	323	-	3 119	3 119	-	100.0%	-	-
Bursaries: Employees	260	33	-	293	293	-	100.0%	-	-
Catering: Departmental activities	942	436	-	1 378	1 378	-	100.0%	-	-
Communication (G&S)	1 881	(322)	-	1 559	1 555	4	99.7%	-	-
Computer services	1 157	595	-	1 752	1 752	-	100.0%	-	-
Consultants: Business and advisory services	71 074	(11 694)	(2 255)	57 125	57 093	32	99.9%	-	-
Infrastructure and planning services	3 750	(3 750)	-	-	-	-	-	-	-
Contractors	371	544	-	915	915	-	100.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Appropriation per economic classification									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support / outsourced services	2 048	(99)	(63)	1 886	1 886	-	100.0%	-	-
Entertainment	127	(97)	-	30	30	-	100.0%	-	-
Fleet services (including government motor transport)	791	(167)	-	624	624	-	100.0%	-	-
Inventory: Materials and supplies	140	18	-	158	158	-	100.0%	-	-
Consumable supplies	168	(13)	-	155	153	2	98.7%	-	-
Consumable: Stationery, printing and office supplies	1 128	(205)	-	923	923	-	100.0%	-	-
Operating leases	722	11	-	733	726	7	99.0%	-	-
Property payments	-	7	-	7	7	-	100.0%	-	-
Travel and subsistence	3 641	(200)	-	3 441	3 442	(1)	100.0%	-	-
Training and development	7 292	7 263	-	14 555	14 555	-	100.0%	-	-
Operating payments	824	(108)	-	716	711	5	99.3%	-	-
Venues and facilities	1 819	(177)	(35)	1 607	1 599	8	99.5%	-	-
Rental and hiring	50	347	-	397	397	-	100.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Appropriation per economic classification									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	303 663	5 830	2 718	312 211	311 049	1 162	99.6%	196 480	193 480
Provinces and municipalities	501	-	-	501	501	-	100.0%	5 150	5 150
Provinces	1	-	-	1	1	-	100.0%	-	-
Provincial agencies and funds	1	-	-	1	1	-	100.0%	-	-
Municipalities	500	-	-	500	500	-	100.0%	-	-
Municipal agencies and funds	500	-	-	500	500	-	100.0%	-	-
Departmental agencies and accounts	114 066	781	220	115 067	115 067	-	100.0%	93 065	93 065
Departmental agencies (non-business entities)	114 066	781	220	115 067	115 067	-	100.0%	-	-
Higher education institutions	4 610	-	-	4 610	4 610	-	100.0%	800	800
Public corporations and private enterprises	5 710	-	-	5 710	5 587	123	97.8%	9 976	6 976
Public corporations	5 710	-	-	5 710	5 587	123	97.8%	-	-
Other transfers to public corporations	5 710	-	-	5 710	5 587	123	97.8%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Appropriation per economic classification									
	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	1 69 397	4 982	2 498	176 877	175 840	1 037	99.4%	85 588	85 588
Households	9 379	67	-	9 446	9 444	2	100.0%	1 901	1 901
Social benefits	34	67	-	101	100	1	99.0%	-	-
Other transfers to households	9 345	-	-	9 345	9 344	1	100.0%	-	-
Payments for capital assets	3 423	4	81	3 508	3 497	11	99.7%	4 228	3 077
Machinery and equipment	3 415	(44)	81	3 452	3 450	2	99.9%	4 167	3 016
Other machinery and equipment	3 415	(44)	81	3 452	3 450	2	99.9%	-	-
Software and other intangible assets	8	48	-	56	47	9	83.9%	61	61
Payment for financial assets	32	57	-	89	88	1	98.9%	36	36
Total	510 296	-	-	510 296	509 008	1 288	99.7%	372 973	366 228

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 1: Administration	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1 Office of the HOD	2 292	(62)	-	2 230	2 221		99.6%	2 405	2 405
2 Financial Management	24 449	58	210	24 717	24 714		100.0%	23 288	22 137
3 Corporate Services	8 605	4	-	8 609	8 594		99.8%	7 556	7 556
Total	35 346	-	210	35 556	35 529	27	99.9%	33 249	32 098
Economic classification									
Current payments	32 871	(140)	-	32 731	32 713	18	99.9%	30 388	30 388
Compensation of employees	19 854	(1 001)	-	18 853	18 836	17	99.9%	17 542	17 542
Salaries and wages	17 583	(733)	-	16 850	16 833	17	99.9%	-	-
Social contributions	2 271	(268)	-	2 003	2 003	-	100.0%	-	-
Goods and services	13 017	861	-	13 878	13 877	1	100.0%	12 846	12 846
Administrative fees	30	20	-	50	50	-	100.0%	-	-
Advertising	5 293	540	-	5 833	5 833	-	100.0%	-	-
Minor assets	31	59	-	90	90	-	100.0%	-	-
Audit costs: External	2 796	323	-	3 119	3 119	-	100.0%	-	-
Bursaries: Employees	260	33	-	293	293	-	100.0%	-	-
Catering: Departmental activities	67	(46)	-	21	21	-	100.0%	-	-
Communication (G&S)	356	35	-	391	391	-	100.0%	-	-
Computer services	350	51	-	401	401	-	100.0%	-	-
Consultants: Business and advisory services	423	130	-	553	553	-	100.0%	-	-
Contractors	20	316	-	336	336	-	100.0%	-	-
Entertainment	31	(26)	-	5	5	-	100.0%	-	-
Fleet services (including government motor transport)	791	(167)	-	624	624	-	100.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 1: Administration	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Materials and supplies	16	22	-	38	38	-	100.0%	-	-
Consumable supplies	36	10	-	46	46	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	435	(215)	-	220	220	-	100.0%	-	-
Operating leases	117	16	-	133	133	-	100.0%	-	-
Travel and subsistence	382	(75)	-	307	307	-	100.0%	-	-
Training and development	632	124	-	756	756	-	100.0%	-	-
Operating payments	689	(302)	-	387	387	-	100.0%	-	-
Venues and facilities	262	(227)	-	35	34	1	97.1%	-	-
Rental and hiring	-	240	-	240	240	-	100.0%	-	-
Transfers and subsidies	24	18	-	42	41	1	97.6%	22	22
Provinces and municipalities	1	-	-	1	1	-	100.0%	-	-
Provinces	1	-	-	1	1	-	100.0%	-	-
Provincial agencies and funds	1	-	-	1	1	-	100.0%	-	-
Households	23	18	-	41	40	1	97.6%	22	22
Social benefits	23	18	-	41	40	1	97.6%	-	-
Payments for capital assets	2 451	102	210	2 763	2 755	8	99.7%	2 825	1 674
Machinery and equipment	2 451	93	210	2 754	2 754	-	100.0%	2 825	1 674
Other machinery and equipment	2 451	93	210	2 754	2 754	-	100.0%	-	-
Software and other intangible assets	-	9	-	9	1	8	11.1%	-	-
Payment for financial assets	-	20	-	20	20	-	100.0%	14	14
Total	35 346	-	210	35 556	35 529	27	99.9%	33 249	32 098

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 1.1: Office of the HOD									
2014/15								2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	2 245	(48)	-	2 197	2 196	1	100.0%	2 398	2 398
Compensation of employees	1 837	54	-	1 891	1 891	-	100.0%	1 818	1 818
Goods and services	408	(102)	-	306	305	1	99.7%	580	580
Transfers and subsidies	10	-	-	10	10	-	100.0%	-	-
Households	10	-	-	10	10	-	100.0%	-	-
Payments for capital assets	37	(14)	-	23	15	8	65.2%	7	7
Machinery and equipment	37	(23)	-	14	14	-	100.0%	7	7
Software and other intangible assets	-	9	-	9	1	8	11.1%	-	-
Total	2 292	(62)	-	2 230	2 221	9	99.6%	2 405	2 405

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 1.2: Financial Management										
	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	22 032	(74)	-	21 958	21 956	2	100.0%	20 771	20 771	20 771
Compensation of employees	15 950	(615)	-	15 335	15 333	2	100.0%	13 828	13 828	13 828
Goods and services	6 082	541	-	6 623	6 623	-	100.0%	6 943	6 943	6 943
Transfers and subsidies	14	-	-	14	13	1	92.9%	22	22	22
Provinces and municipalities	1	-	-	1	1	-	100.0%	-	-	-
Households	13	-	-	13	12	1	92.3%	22	22	22
Payments for capital assets	2 403	112	210	2 725	2 725	-	100.0%	2 481	2 481	1 330
Machinery and equipment	2 403	112	210	2 725	2 725	-	100.0%	2 481	2 481	1 330
Payment for financial assets	-	20	-	20	20	-	100.0%	14	14	14
Total	24 449	58	210	24 717	24 714	3	100.0%	23 288	23 288	22 137

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 1.3: Corporate Services										
	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	8 594	(18)	-	8 576	8 561	15	99.8%	7 219	7 219	7 219
Compensation of employees	2 067	(440)	-	1 627	1 612	15	99.1%	1 896	1 896	1 896
Goods and services	6 527	422	-	6 949	6 949	-	100.0%	5 323	5 323	5 323
Transfers and subsidies	-	18	-	18	18	-	100.0%	-	-	-
Households	-	18	-	18	18	-	100.0%	-	-	-
Payments for capital assets	11	4	-	15	15	-	100.0%	337	337	337
Machinery and equipment	11	4	-	15	15	-	100.0%	337	337	337
Total	8 605	4	-	8 609	8 594	15	99.8%	7 556	7 556	7 556

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 2: Integrated Economic Development Services	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub-programme										
1	Enterprise Development	35 676	379	2 498	38 553	38 200	353	99.1%	31 828	31 828
2	Regional and Local Economic Development	8 484	(346)	-	8 138	8 138	-	100.0%	7 988	7 988
3	Economic Empowerment	3 946	86	-	4 032	4 032	-	100.0%	3 697	3 697
4	Red Tape	6 941	(48)	-	6 893	6 893	-	100.0%	4 682	4 682
5	Management: Integrated Economic Development Services	2 077	(71)	-	2 006	2 006	-	100.0%	1 812	1 812
	Total	57 124	-	2 498	59 622	59 269	353	99.4%	50 007	50 007
Economic classification										
	Current payments	32 817	(397)	-	32 420	32 415	5	100.0%	30 183	30 183
	Compensation of employees	19 553	(395)	-	19 158	19 153	5	100.0%	17 322	17 322
	Salaries and wages	17 486	(382)	-	17 104	17 099	5	100.0%	-	-
	Social contributions	2 067	(13)	-	2 054	2 054	-	100.0%	-	-
	Goods and services	13 264	(2)	-	13 262	13 262	-	100.0%	12 861	12 861
	Administrative fees	13	17	-	30	30	-	100.0%	-	-
	Advertising	96	(47)	-	49	49	-	100.0%	-	-
	Minor assets	106	21	-	127	127	-	100.0%	-	-
	Catering: Departmental activities	376	163	-	539	539	-	100.0%	-	-
	Communication (G&S)	384	(99)	-	285	285	-	100.0%	-	-
	Consultants: Business and advisory services	8 694	(334)	-	8 360	8 360	-	100.0%	-	-
	Contractors	265	78	-	343	343	-	100.0%	-	-
	Agency and support / outsourced services	546	65	-	611	611	-	100.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 2: Integrated Economic Development Services	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	25	(9)	-	16	16	-	100.0%	-	-
Consumable supplies	14	7	-	21	21	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	193	35	-	228	228	-	100.0%	-	-
Operating leases	41	(13)	-	28	28	-	100.0%	-	-
Travel and subsistence	920	(159)	-	761	761	-	100.0%	-	-
Training and development	317	318	-	635	635	-	100.0%	-	-
Operating payments	33	(11)	-	22	22	-	100.0%	-	-
Venues and facilities	1 191	13	-	1 204	1 204	-	100.0%	-	-
Rental and hiring	50	(47)	-	3	3	-	100.0%	-	-
Transfers and subsidies	23 943	527	2 498	26 968	26 621	347	98.7%	19 495	19 495
Departmental agencies and ac- counts	2 000	-	-	2 000	2 000	-	100.0%	5 000	5 000
Departmental agencies (non- business entities)	2 000	-	-	2 000	2 000	-	100.0%	-	-
Higher education institutions	2 150	-	-	2 150	2 150	-	100.0%	250	250
Public corporations and private en- terprises	5 700	-	-	5 700	5 577	123	97.8%	5 850	5 850
Public corporations	5 700	-	-	5 700	5 577	123	97.8%	-	-
Other transfers to public corporations	5 700	-	-	5 700	5 577	123	97.8%	-	-
Non-profit institutions	13 500	502	2 498	16 500	16 276	224	98.6%	7 900	7 900

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 2: Integrated Economic Development Services	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	593	25	-	618	618	-	100.0%	495	495
Social benefits	3	25	-	28	28	-	100.0%	-	-
Other transfers to households	590	-	-	590	590	-	100.0%	-	-
Payments for capital assets	350	(130)	-	220	220	-	100.0%	310	310
Machinery and equipment	350	(135)	-	215	215	-	100.0%	310	310
Other machinery and equipment	350	(135)	-	215	215	-	100.0%	-	-
Software and other intangible assets	-	5	-	5	5	-	100.0%	-	-
Payment for financial assets	14	-	-	14	13	1	92.9%	19	19
Total	57 124	-	2 498	59 622	59 269	353	99.4%	50 007	50 007

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 2.1: Enterprise Development										
	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current payments	11 996	(74)	-	11 922	11 917	5	100.0%	12 365	12 365	
Compensation of employees	6 658	(124)	-	6 534	6 529	5	99.9%	5 809	5 809	
Goods and services	5 338	50	-	5 388	5 388	-	100.0%	6 556	6 556	
Transfers and subsidies	23 440	527	2 498	26 465	26 118	347	98.7%	19 295	19 295	
Departmental agencies and accounts	2 000	-	-	2 000	2 000	-	100.0%	5 000	5 000	
Higher education institutions	1 650	-	-	1 650	1 650	-	100.0%	250	250	
Public corporations and private enterprises	5 700	-	-	5 700	5 577	123	97.8%	5 850	5 850	
Non-profit institutions	13 500	502	2 498	16 500	16 276	224	98.6%	7 700	7 700	
Households	590	25	-	615	615	-	100.0%	495	495	
Payments for capital assets	226	(74)	-	152	152	-	100.0%	164	164	
Machinery and equipment	226	(76)	-	150	150	-	100.0%	164	164	
Software and other intangible assets	-	2	-	2	2	-	100.0%	-	-	
Payment for financial assets	14	-	-	14	13	1	92.9%	4	4	
Total	35 676	379	2 498	38 553	38 200	353	99.1%	31 828	31 828	

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 2.2: Regional and Local Economic Development									
	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	7 970	(346)	-	7 624	7 624	-	100.0%	7 906	7 906
Compensation of employees	5 181	(228)	-	4 953	4 953	-	100.0%	5 179	5 179
Goods and services	2 789	(118)	-	2 671	2 671	-	100.0%	2 727	2 727
Transfers and subsidies	500	-	-	500	500	-	100.0%	-	-
Higher education institutions	500	-	-	500	500	-	100.0%	-	-
Payments for capital assets	14	-	-	14	14	-	100.0%	67	67
Machinery and equipment	14	(1)	-	13	13	-	100.0%	67	67
Software and other intangible assets	-	1	-	1	1	-	100.0%	-	-
Payment for financial assets	-	-	-	-	-	-	-	15	15
Total	8 484	(346)	-	8 138	8 138	-	100.0%	7 988	7 988

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 2.3: Economic Empowerment

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	3 946	86	-	4 032	4 032	-	100.0%	3 697	3 697
Compensation of employees	3 946	86	-	4 032	4 032	-	100.0%	3 697	3 697
Total	3 946	86	-	4 032	4 032	-	100.0%	3 697	3 697

Sub-programme: 2.4: Red Tape

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	6 853	4	-	6 857	6 857	-	100.0%	4 431	4 431
Compensation of employees	1 960	(102)	-	1 858	1 858	-	100.0%	1 069	1 069
Goods and services	4 893	106	-	4 999	4 999	-	100.0%	3 362	3 362
Transfers and subsidies	3	-	-	3	3	-	100.0%	200	200
Non-profit institutions	-	-	-	-	-	-	-	200	200
Households	3	-	-	3	3	-	100.0%	-	-
Payments for capital assets	85	(52)	-	33	33	-	100.0%	51	51
Machinery and equipment	85	(53)	-	32	32	-	100.0%	51	51
Software and other intangible assets	-	1	-	1	1	-	100.0%	-	-
Total	6 941	(48)	-	6 893	6 893	-	100.0%	4 682	4 682

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 2.5: Management: Integrated Economic Development Services										
2014/15								2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	2 052	(67)	-	1 985	1 985	-	100.0%	1 784	1 784	1 784
Compensation of employees	1 808	(27)	-	1 781	1 781	-	100.0%	1 568	1 568	1 568
Goods and services	244	(40)	-	204	204	-	100.0%	216	216	216
Payments for capital assets	25	(4)	-	21	21	-	100.0%	28	28	28
Machinery and equipment	25	(5)	-	20	20	-	100.0%	28	28	28
Software and other intangible assets	-	1	-	1	1	-	100.0%	-	-	-
Total	2 077	(71)	-	2 006	2 006	-	100.0%	1 812	1 812	1 812

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 3: Trade and Sector Development	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub-programme										
1	Trade and Investment Promotion	19 235	-	-	19 235	19 235	-	100.0%	21 481	21 481
2	Sector Development	52 050	(147)	(220)	51 683	51 061	622	98.8%	46 405	46 405
3	Strategic Initiatives	164 476	243	-	164 719	164 711	8	100.0%	60 363	54 775
4	Management: Trade and Sector Development	1 089	(96)	(35)	958	952	6	99.4%	1 579	1 579
	Total	236 850	-	(255)	236 595	235 959	636	99.7%	129 828	124 240
Economic classification										
Current payments										
	Compensation of employees	54 508	(775)	(255)	53 478	53 430	48	99.9%	42 397	39 809
	Salaries and wages	18 767	208	-	18 975	18 975	-	100.0%	18 767	18 767
	Social contributions	17 217	126	-	17 343	17 343	-	100.0%	-	-
	Goods and services	1 550	82	-	1 632	1 632	-	100.0%	-	-
	Administrative fees	35 741	(983)	(255)	34 503	34 455	48	99.9%	23 630	21 042
	Advertising	71	(18)	-	53	53	-	100.0%	-	-
	Minor assets	216	(216)	-	-	-	-	-	-	-
	Catering: Departmental activities	8	25	-	33	33	-	100.0%	-	-
	Communication (G&S)	53	(25)	-	28	28	-	100.0%	-	-
	Consultants: Business and advisory services	279	(4)	-	275	272	3	98.9%	-	-
	Infrastructure and planning services	29 622	3 092	(220)	32 494	32 462	32	99.9%	-	-
	Contractors	3 750	(3 750)	-	-	-	-	-	-	-
	Entertainment	11	4	-	15	15	-	100.0%	-	-
	Consumable supplies	21	(14)	-	7	7	-	100.0%	-	-
	Consumable: Stationery, printing and office supplies	65	(41)	-	24	23	1	95.8%	-	-
		104	19	-	123	123	-	100.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 3: Trade and Sector Development	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	199	15	-	214	207	7	96.7%	-	-
Travel and subsistence	1 047	(62)	-	985	985	-	100.0%	-	-
Training and development	163	(43)	-	120	120	-	100.0%	-	-
Operating payments	27	24	-	51	46	5	90.2%	-	-
Venues and facilities	105	11	(35)	81	81	-	100.0%	-	-
Transfers and subsidies	182 218	743	-	182 961	182 373	588	99.7%	87 179	84 179
Provinces and municipalities	500	-	-	500	500	-	100.0%	5 150	5 150
Municipalities	500	-	-	500	500	-	100.0%	-	-
Municipal agencies and funds	500	-	-	500	500	-	100.0%	-	-
Departmental agencies and accounts	50 326	-	-	50 326	50 326	-	100.0%	29 216	29 216
Departmental agencies (non-business entities)	50 326	-	-	50 326	50 326	-	100.0%	-	-
Higher education institutions	1 000	-	-	1 000	1 000	-	100.0%	550	550
Public corporations and private enterprises	10	-	-	10	10	-	100.0%	3 500	500
Public corporations	10	-	-	10	10	-	100.0%	-	-
Other transfers to public corporations	10	-	-	10	10	-	100.0%	-	-
Non-profit institutions	130 380	730	-	131 110	130 522	588	99.6%	48 763	48 763
Households	2	13	-	15	15	-	100.0%	-	-
Social benefits	-	13	-	13	13	-	100.0%	-	-
Other transfers to households	2	-	-	2	2	-	100.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 3: Trade and Sector Development	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	124	29	-	153	153	-	100.0%	252	252
Machinery and equipment	124	17	-	141	141	-	100.0%	247	247
Other machinery and equipment	124	17	-	141	141	-	100.0%	-	-
Software and other intangible assets	-	12	-	12	12	-	100.0%	5	5
Payment for financial assets	-	3	-	3	3	-	100.0%	-	-
Total	236 850	-	(255)	236 595	235 959	636	99.7%	129 828	124 240

Sub-programme: 3.1: Trade and Investment Promotion

Economic classification	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	19 235	-	-	19 235	19 235	-	100.0%	21 481	21 481
Departmental agencies and accounts	19 235	-	-	19 235	19 235	-	100.0%	21 481	21 481
Total	19 235	-	-	19 235	19 235	-	100.0%	21 481	21 481

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 3.2: Sector Development										
	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	16 775	(457)	(220)	16 098	16 064	34	99.8%	11 564	11 564	11 564
Compensation of employees	11 044	40	-	11 084	11 084	-	100.0%	10 272	10 272	10 272
Goods and services	5 731	(497)	(220)	5 014	4 980	34	99.3%	1 292	1 292	1 292
Transfers and subsidies	35 230	280	-	35 510	34 922	588	98.3%	34 744	34 744	34 744
Higher education institutions	1 000	-	-	1 000	1 000	-	100.0%	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	500	500	500
Non-profit institutions	34 230	280	-	34 510	33 922	588	98.3%	34 244	34 244	34 244
Payments for capital assets	45	27	-	72	72	-	100.0%	97	97	97
Machinery and equipment	45	22	-	67	67	-	100.0%	97	97	97
Software and other intangible as- sets	-	5	-	5	5	-	100.0%	-	-	-
Payment for financial assets	-	3	-	3	3	-	100.0%	-	-	-
Total	52 050	(147)	(220)	51 683	51 061	622	98.8%	46 405	46 405	46 405

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 3.3: Strategic Initiatives

	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	36 701	(266)	-	36 435	36 427	8	100.0%	29 275	26 687
Compensation of employees	6 907	220	-	7 127	7 127	-	100.0%	7 297	7 297
Goods and services	29 794	(486)	-	29 308	29 300	8	100.0%	21 978	19 390
Transfers and subsidies	127 741	463	-	128 204	128 204	-	100.0%	30 954	27 954
Provinces and municipalities	500	-	-	500	500	-	100.0%	5 150	5 150
Departmental agencies and accounts	31 091	-	-	31 091	31 091	-	100.0%	7 735	7 735
Higher education institutions	-	-	-	-	-	-	-	550	550
Public corporations and private enterprises	-	-	-	-	-	-	-	3 000	-
Non-profit institutions	96 150	450	-	96 600	96 600	-	100.0%	14 519	14 519
Households	-	13	-	13	13	-	100.0%	-	-
Payments for capital assets	34	46	-	80	80	-	100.0%	134	134
Machinery and equipment	34	40	-	74	74	-	100.0%	129	129
Software and other intangible assets	-	6	-	6	6	-	100.0%	5	5
Total	164 476	243	-	164 719	164 711	8	100.0%	60 363	54 775

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 3.4: Management: Trade and Sector Development										
	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	1 032	(52)	(35)	945	939	6	99.4%	1 558	1 558	1 558
Compensation of employees	816	(52)	-	764	764	-	100.0%	1 198	1 198	1 198
Goods and services	216	-	(35)	181	175	6	96.7%	360	360	360
Transfers and subsidies	12	-	-	12	12	-	100.0%	-	-	-
Public corporations and private enterprises	10	-	-	10	10	-	100.0%	-	-	-
Households	2	-	-	2	2	-	100.0%	-	-	-
Payments for capital assets	45	(44)	-	1	1	-	100.0%	21	21	21
Machinery and equipment	45	(45)	-	-	-	-	-	21	21	21
Software and other intangible assets	-	1	-	1	1	-	100.0%	-	-	-
Total	1 089	(96)	(35)	958	952	6	99.4%	1 579	1 579	1 579

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 4: Business Regulation and Governance	2014/15								2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub-programme										
1	Consumer Protection	10 283	(192)	(70)	10 021	10 021	-	100.0%	10 384	10 384
2	Liquor Regulation	38 910	192	-	39 102	39 102	-	100.0%	31 097	31 097
	Total	49 193	-	(70)	49 123	49 123	-	100.0%	41 481	41 481
Economic classification										
Current payments		10 906	(16)	(63)	10 827	10 827	-	100.0%	10 455	10 455
	Compensation of employees	8 153	295	-	8 448	8 448	-	100.0%	7 574	7 574
	Salaries and wages	7 207	293	-	7 500	7 500	-	100.0%	-	-
	Social contributions	946	2	-	948	948	-	100.0%	-	-
	Goods and services	2 753	(311)	(63)	2 379	2 379	-	100.0%	2 881	2 881
	Administrative fees	8	10	-	18	18	-	100.0%	-	-
	Minor assets	10	(5)	-	5	5	-	100.0%	-	-
	Catering: Departmental activities	17	(13)	-	4	4	-	100.0%	-	-
	Communication (G&S)	187	(31)	-	156	156	-	100.0%	-	-
	Computer services	120	(120)	-	-	-	-	-	-	-
	Consultants: Business and advisory services	200	(200)	-	-	-	-	-	-	-
	Contractors	14	(8)	-	6	6	-	100.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 4: Business Regulation and Governance	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support / outsourced services	1 500	(164)	(63)	1 273	1 273	-	100.0%	-	-
Entertainment	9	(9)	-	-	-	-	-	-	-
Consumable supplies	-	2	-	2	2	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	40	(10)	-	30	30	-	100.0%	-	-
Operating leases	60	(8)	-	52	52	-	100.0%	-	-
Property payments	-	7	-	7	7	-	100.0%	-	-
Travel and subsistence	177	84	-	261	261	-	100.0%	-	-
Training and development	385	149	-	534	534	-	100.0%	-	-
Operating payments	10	5	-	15	15	-	100.0%	-	-
Venues and facilities	16	-	-	16	16	-	100.0%	-	-
Transfers and subsidies	38 240	1	-	38 241	38 241	-	100.0%	30 939	30 939
Departmental agencies and accounts	38 240	1	-	38 241	38 241	-	100.0%	30 936	30 936
Departmental agencies (non-business entities)	38 240	1	-	38 241	38 241	-	100.0%	-	-
Households	-	-	-	-	-	-	-	3	3
Payments for capital assets	47	-	(7)	40	40	-	100.0%	87	87
Machinery and equipment	47	-	(7)	40	40	-	100.0%	87	87
Other machinery and equipment	47	-	(7)	40	40	-	100.0%	-	-
Payment for financial assets	-	15	-	15	15	-	100.0%	-	-
Total	49 193	-	(70)	49 123	49 123	-	100.0%	41 481	41 481

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 4.1: Consumer Protection										
	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	10 236	(207)	(63)	9 966	9 966	-	100.0%	10 294	10 294	10 294
Compensation of employees	7 483	107	-	7 590	7 590	-	100.0%	7 413	7 413	7 413
Goods and services	2 753	(314)	(63)	2 376	2 376	-	100.0%	2 881	2 881	2 881
Transfers and subsidies	-	-	-	-	-	-	-	3	3	3
Households	-	-	-	-	-	-	-	3	3	3
Payments for capital assets	47	-	(7)	40	40	-	100.0%	87	87	87
Machinery and equipment	47	-	(7)	40	40	-	100.0%	87	87	87
Payment for financial assets	-	15	-	15	15	-	100.0%	-	-	-
Total	10 283	(192)	(70)	10 021	10 021	-	100.0%	10 384	10 384	10 384

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 4.2: Liquor Regulation										
2014/15								2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	670	191	-	861	861	-	100.0%	161	161	161
Compensation of employees	670	188	-	858	858	-	100.0%	161	161	161
Goods and services	-	3	-	3	3	-	100.0%	-	-	-
Transfers and subsidies	38 240	1	-	38 241	38 241	-	100.0%	30 936	30 936	30 936
Departmental agencies and accounts	38 240	1	-	38 241	38 241	-	100.0%	30 936	30 936	30 936
Total	38 910	192	-	39 102	39 102	-	100.0%	31 097	31 097	31 097

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 5: Economic Planning	2014/15								2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub-programme										
1	Policy and Planning	20 199	1 403	-	21 602	21 377	225	99.0%	14 159	14 159
2	Research and Development	5 310	(470)	-	4 840	4 840	-	100.0%	5 781	5 775
3	Knowledge Management	2 818	(307)	(6)	2 505	2 505	-	100.0%	3 149	3 149
4	Monitoring and Evaluation	4 468	(626)	(446)	3 396	3 396	-	100.0%	1 915	1 915
5	Economic Development Partnership	8 896	-	-	8 896	8 896	-	100.0%	9 692	9 692
	Total	41 691	-	(452)	41 239	41 014	225	99.5%	34 696	34 690
Economic classification										
Current payments		24 114	(512)	(428)	23 174	23 174	-	100.0%	20 802	20 796
Compensation of employees		8 668	1 192	-	9 860	9 860	-	100.0%	9 700	9 700
Salaries and wages		8 016	992	-	9 008	9 008	-	100.0%	-	-
Social contributions		652	200	-	852	852	-	100.0%	-	-
Goods and services		15 446	(1 704)	(428)	13 314	13 314	-	100.0%	11 102	11 096
Administrative fees		34	406	(428)	12	12	-	100.0%	-	-
Advertising		-	138	-	138	138	-	100.0%	-	-
Minor assets		18	24	-	42	42	-	100.0%	-	-
Catering: Departmental activities		34	271	-	305	305	-	100.0%	-	-
Communication (G&S)		159	(35)	-	124	124	-	100.0%	-	-
Computer services		687	664	-	1 351	1 351	-	100.0%	-	-
Consultants: Business and advisory services		13 664	(3 407)	-	10 257	10 257	-	100.0%	-	-
Contractors		-	29	-	29	29	-	100.0%	-	-
Entertainment		9	(8)	-	1	1	-	100.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 5: Economic Planning	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	48	(19)	-	29	29	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	192	(63)	-	129	129	-	100.0%	-	-
Operating leases	206	-	-	206	206	-	100.0%	-	-
Travel and subsistence	266	(28)	-	238	238	-	100.0%	-	-
Training and development	68	(5)	-	63	63	-	100.0%	-	-
Operating payments	31	151	-	182	182	-	100.0%	-	-
Venues and facilities	30	28	-	58	58	-	100.0%	-	-
Rental and hiring	-	150	-	150	150	-	100.0%	-	-
Transfers and subsidies	17 404	511	-	17 915	17 690	225	98.7%	13 493	13 493
Non-profit institutions	17 396	500	-	17 896	17 671	225	98.7%	13 442	13 442
Households	8	11	-	19	19	-	100.0%	51	51
Social benefits	8	11	-	19	19	-	100.0%	-	-
Payments for capital assets	155	-	(24)	131	131	-	100.0%	398	398
Machinery and equipment	150	(21)	(24)	105	105	-	100.0%	342	342
Other machinery and equipment	150	(21)	(24)	105	105	-	100.0%	-	-
Software and other intangible assets	5	21	-	26	26	-	100.0%	56	56
Payment for financial assets	18	1	-	19	19	-	100.0%	3	3
Total	41 691	-	(452)	41 239	41 014	225	99.5%	34 696	34 690

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 5.1: Policy and Planning

	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	11 669	866	-	12 535	12 535	-	100.0%	10 375	10 375
Compensation of employees	1 533	1 714	-	3 247	3 247	-	100.0%	3 875	3 875
Goods and services	10 136	(848)	-	9 288	9 288	-	100.0%	6 500	6 500
Transfers and subsidies	8 500	511	-	9 011	8 786	225	97.5%	3 771	3 771
Non-profit institutions	8 500	500	-	9 000	8 775	225	97.5%	3 750	3 750
Households	-	11	-	11	11	-	100.0%	21	21
Payments for capital assets	30	25	-	55	55	-	100.0%	10	10
Machinery and equipment	25	29	-	54	54	-	100.0%	10	10
Software and other intangible assets	5	(4)	-	1	1	-	100.0%	-	-
Payment for financial assets	-	1	-	1	1	-	100.0%	3	3
Total	20 199	1 403	-	21 602	21 377	225	99.0%	14 159	14 159

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 5.2: Research and Development										
	2014/15							2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	5 284	(499)	-	4 785	4 785	-	100.0%	5 716	5 710	
Compensation of employees	2 400	(414)	-	1 986	1 986	-	100.0%	2 710	2 710	
Goods and services	2 884	(85)	-	2 799	2 799	-	100.0%	3 006	3 000	
Transfers and subsidies	8	-	-	8	8	-	100.0%	-	-	
Households	8	-	-	8	8	-	100.0%	-	-	
Payments for capital assets	-	29	-	29	29	-	100.0%	65	65	
Machinery and equipment	-	28	-	28	28	-	100.0%	65	65	
Software and other intangible assets	-	1	-	1	1	-	100.0%	-	-	
Payment for financial assets	18	-	-	18	18	-	100.0%	-	-	
Total	5 310	(470)	-	4 840	4 840	-	100.0%	5 781	5 775	

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 5.3: Knowledge Management										
	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	2 750	(253)	-	2 497	2 497	-	100.0%	2 836	2 836	2 836
Compensation of employees	1 952	123	-	2 075	2 075	-	100.0%	2 174	2 174	2 174
Goods and services	798	(376)	-	422	422	-	100.0%	662	662	662
Transfers and subsidies	-	-	-	-	-	-	-	29	29	29
Households	-	-	-	-	-	-	-	29	29	29
Payments for capital assets	68	(54)	(6)	8	8	-	100.0%	284	284	284
Machinery and equipment	68	(54)	(6)	8	8	-	100.0%	228	228	228
Software and other intangible assets	-	-	-	-	-	-	-	56	56	56
Total	2 818	(307)	(6)	2 505	2 505	-	100.0%	3 149	3 149	3 149

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 5.4: Monitoring and Evaluation										
	2014/15							2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	4 411	(626)	(428)	3 357	3 357	-	100.0%	1 875	1 875	1 875
Compensation of employees	2 783	(231)	-	2 552	2 552	-	100.0%	941	941	941
Goods and services	1 628	(395)	(428)	805	805	-	100.0%	934	934	934
Transfers and subsidies	-	-	-	-	-	-	-	1	1	1
Households	-	-	-	-	-	-	-	1	1	1
Payments for capital assets	57	-	(18)	39	39	-	100.0%	39	39	39
Machinery and equipment	57	(24)	(18)	15	15	-	100.0%	39	39	39
Software and other intangible assets	-	24	-	24	24	-	100.0%	-	-	-
Total	4 468	(626)	(446)	3 396	3 396	-	100.0%	1 915	1 915	1 915

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 5.5: Economic Development Partnership										
2014/15								2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Transfers and subsidies	8 896	-	-	8 896	8 896	-	100.0%	9 692	9 692	
Non-profit institutions	8 896	-	-	8 896	8 896	-	100.0%	9 692	9 692	
Total	8 896	-	-	8 896	8 896	-	100.0%	9 692	9 692	

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 6: Tourism, Arts and Entertainment	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub-programme										
1	Tourism Planning	4 077	183	(62)	4 198	4 198	-	100.0%	3 863	3 863
2	Tourism Growth and Development	4 137	(985)	(17)	3 135	3 110	25	99.2%	4 838	4 838
3	Tourism Sector Transformation	9 092	142	-	9 234	9 231	3	100.0%	8 702	8 702
4	Destination Marketing Organisation	21 000	780	220	22 000	22 000	-	100.0%	22 600	22 600
5	Commercial Arts and Entertainment	6 696	(120)	(6)	6 570	6 560	10	99.8%	7 551	7 551
	Total	45 002	-	135	45 137	45 099	123	99.9%	47 554	47 554
Economic classification										
Current payments		17 213	(797)	(18)	16 398	16 361	37	99.8%	17 013	17 013
Compensation of employees		13 103	(347)	(18)	12 738	12 706	32	99.7%	12 500	12 500
Salaries and wages		11 779	(432)	(18)	11 329	11 297	32	99.7%	-	-
Social contributions		1 324	85	-	1 409	1 409	-	100.0%	-	-
Goods and services		4 110	(450)	-	3 660	3 655	5	99.9%	4 513	4 513
Administrative fees		59	(15)	-	44	42	2	95.5%	-	-
Advertising		13	31	-	44	44	-	100.0%	-	-
Minor assets		49	4	-	53	53	-	100.0%	-	-
Catering: Departmental activities		108	184	-	292	292	-	100.0%	-	-
Communication (G&S)		385	(166)	-	219	218	1	99.5%	-	-
Consultants: Business and advisory services		1 913	(1 300)	-	613	613	-	100.0%	-	-
Contractors		40	124	-	164	164	-	100.0%	-	-
Entertainment		26	(25)	-	1	1	-	100.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 6: Tourism, Arts and Entertainment	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Materials and supplies	124	(4)	-	120	120	-	100.0%	-	-
Consumable supplies	-	4	-	4	4	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	103	9	-	112	112	-	100.0%	-	-
Operating leases	77	(1)	-	76	76	-	100.0%	-	-
Travel and subsistence	716	(79)	-	637	638	(1)	100.2%	-	-
Training and development	346	745	-	1 091	1 091	-	100.0%	-	-
Operating payments	18	5	-	23	23	-	100.0%	-	-
Venues and facilities	133	30	-	163	160	3	98.2%	-	-
Rental and hiring	-	4	-	4	4	-	100.0%	-	-
Transfers and subsidies	27 600	780	220	28 600	28 600	-	100.0%	30 413	30 413
Departmental agencies and accounts	23 500	780	220	24 500	24 500	-	100.0%	25 100	25 100
Departmental agencies (non-business entities)	23 500	780	220	24 500	24 500	-	100.0%	-	-
Non-profit institutions	3 500	-	-	3 500	3 500	-	100.0%	4 000	4 000
Households	600	-	-	600	600	-	100.0%	1 313	1 313
Other transfers to households	600	-	-	600	600	-	100.0%	-	-
Payments for capital assets	189	2	(67)	124	123	1	99.2%	128	128
Machinery and equipment	189	2	(67)	124	123	1	99.2%	128	128
Other machinery and equipment	189	2	(67)	124	123	1	99.2%	-	-
Payment for financial assets	-	15	-	15	15	-	100.0%	-	-
Total	45 002	-	135	45 137	45 099	38	99.9%	47 554	47 554

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 6.1: Tourism Planning									
2014/15								2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	3 979	177	-	4 156	4 156	-	100.0%	3 862	3 862
Compensation of employees	3 397	268	-	3 665	3 665	-	100.0%	3 106	3 106
Goods and services	582	(91)	-	491	491	-	100.0%	756	756
Payments for capital assets	98	-	(62)	36	36	-	100.0%	1	1
Machinery and equipment	98	-	(62)	36	36	-	100.0%	1	1
Payment for financial assets		6		6	6	-	100.0%	-	-
Total	4 077	183	(62)	4 198	4 198	-	100.0%	3 863	3 863

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 6.2: Tourism Growth and Development

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	4 090	(994)	(12)	3 084	3 059	25	99.2%	4 796	4 796
Compensation of employees	3 367	(539)	(12)	2 816	2 793	23	99.2%	3 720	3 720
Goods and services	723	(455)	-	268	266	2	99.3%	1 076	1 076
Transfers and subsidies	-	-	-	-	-	-	-	24	24
Households	-	-	-	-	-	-	-	24	24
Payments for capital assets	47	-	(5)	42	42	-	100.0%	18	18
Machinery and equipment	47	-	(5)	42	42	-	100.0%	18	18
Payment for financial assets	-	9	-	9	9	-	100.0%	-	-
Total	4 137	(985)	(17)	3 135	3 110	25	99.2%	4 838	4 838

**APPROPRIATION STATEMENT
for the year ended 31 March 2015**

Sub-programme: 6.3: Tourism Sector Transformation										
2014/15								2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	8 448	140	-	8 588	8 586	2	100.0%	7 337	7 337	7 337
Compensation of employees	5 821	(76)	-	5 745	5 744	1	100.0%	4 722	4 722	4 722
Goods and services	2 627	216	-	2 843	2 842	1	100.0%	2 615	2 615	2 615
Transfers and subsidies	600	-	-	600	600	-	100.0%	1 270	1 270	1 270
Households	600	-	-	600	600	-	100.0%	1 270	1 270	1 270
Payments for capital assets	44	2	-	46	45	1	97.8%	95	95	95
Machinery and equipment	44	2	-	46	45	1	97.8%	95	95	95
Total	9 092	142	-	9 234	9 231	3	100.0%	8 702	8 702	8 702

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 6.4: Destination Marketing Organisation

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Transfers and subsidies	21 000	780	220	22 000	22 000	-	100.0%	22 600	22 600
Departmental agencies and accounts	21 000	780	220	22 000	22 000	-	100.0%	22 600	22 600
Total	21 000	780	220	22 000	22 000	-	100.0%	22 600	22 600

Sub-programme: 6.5: Commercial Arts and Entertainment

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	696	(120)	(6)	570	560	10	98.2%	1 018	1 018
Compensation of employees	518	-	(6)	512	504	8	98.4%	952	952
Goods and services	178	(120)	-	58	56	2	96.6%	66	66
Transfers and subsidies	6 000	-	-	6 000	6 000	-	100.0%	6 519	6 519
Departmental agencies and accounts	2 500	-	-	2 500	2 500	-	100.0%	2 500	2 500
Non-profit institutions	3 500	-	-	3 500	3 500	-	100.0%	4 000	4 000
Households	-	-	-	-	-	-	-	19	19
Payments for capital assets	-	-	-	-	-	-	-	14	14
Machinery and equipment	-	-	-	-	-	-	-	14	14
Total	6 696	(120)	(6)	6 570	6 560	10	99.8%	7 551	7 551

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 7: Skills Development and Innovation	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub-programme										
1	Provincial Skills Coordination	5 376	263	-	5 639	5 637	2	100.0%	12 350	12 350
2	Workforce Development	36 423	(1 635)	(2 035)	32 753	32 752	1	100.0%	20 429	20 429
3	Innovation	1 051	241		1 292	1 288	4	99.7%	1 239	1 239
4	Management: Skills Development and Innovation	2 240	1 131	(31)	3 371	3 338	2	99.9%	2 140	2 140
	Total	45 090	-	(2 066)	43 024	43 015	9	100.0%	36 158	36 158
Economic classification										
Current payments										
	Compensation of employees	8 000	363	-	8 363	8 363	-	100.0%	7 386	7 386
	Salaries and wages	7 233	307	-	7 540	7 540	-	100.0%	-	-
	Social contributions	767	56	-	823	823	-	100.0%	-	-
	Goods and services	22 749	(3 617)	(2 035)	17 097	17 091	6	100.0%	13 605	13 605
	Administrative fees	30	(16)	-	14	13	1	92.9%	-	-
	Minor assets	14	71	-	85	85	-	100.0%	-	-
	Catering: Departmental activities	287	(98)	-	189	189	-	100.0%	-	-
	Communication (G&S)	131	(22)	-	109	109	-	100.0%	-	-
	Consultants: Business and advisory services	16 558	(9 675)	(2 035)	4 848	4 848	-	100.0%	-	-
	Contractors	21	1	-	22	22	-	100.0%	-	-
	Agency and support / outsourced services	2	-	-	2	2	-	100.0%	-	-
	Entertainment	6	(6)	-	-				-	-
	Consumable supplies	5	24	-	29	28	1	96.6%	-	-
	Consumable: Stationery, printing and office supplies	61	20	-	81	81	-	100.0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2015

Programme 7: Skills Development and Innovation	2014/15							2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	22	2	-	24	24	-	100.0%	-	-
Travel and subsistence	133	119	-	252	252	-	100.0%	-	-
Training and development	5 381	5 975	-	11 356	11 356	-	100.0%	-	-
Operating payments	16	20	-	36	36	-	100.0%	-	-
Venues and facilities	82	(32)	-	50	46	4	92.0%	-	-
Transfers and subsidies	14 234	3 250	-	17 484	17 483	1	100.0%	14 939	14 939
Departmental agencies and accounts	-	-	-	-	-	-	-	2 813	2 813
Higher education institutions	1 460	-	-	1 460	1 460	-	100.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	626	626
Non-profit institutions	4 621	3 250	-	7 871	7 871	-	100.0%	11 483	11 483
Households	8 153	-	-	8 153	8 152	1	100.0%	17	17
Other transfers to households	8 153	-	-	8 153	8 152	1	100.0%	-	-
Payments for capital assets	107	1	(31)	77	75	2	97.4%	228	228
Machinery and equipment	104	-	(31)	73	72	1	98.6%	228	228
Other machinery and equipment	104	-	(31)	73	72	1	98.6%	-	-
Software and other intangible assets	3	1	-	4	3	1	75.0%	-	-
Payment for financial assets	-	3	-	3	3	-	100.0%	-	-
Total	45 090	-	(2 066)	43 024	43 015	9	100.0%	36 158	36 158

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 7.1: Provincial Skills Coordination

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	5 349	261	-	5 610	5 609	1	100.0%	3 467	3 467
Compensation of employees	2 504	202	-	2 706	2 706	-	100.0%	2 186	2 186
Goods and services	2 845	59	-	2 904	2 903	1	100.0%	1 281	1 281
Transfers and subsidies	-	-	-	-	-	-	-	8 803	8 803
Departmental agencies and accounts	-	-	-	-	-	-	-	2 813	2 813
Public corporations and private enterprises	-	-	-	-	-	-	-	626	626
Non-profit institutions	-	-	-	-	-	-	-	5 347	5 347
Households	-	-	-	-	-	-	-	17	17
Payments for capital assets	27	2	-	29	28	1	96.6%	80	80
Machinery and equipment	26	1	-	27	27	-	100.0%	80	80
Software and other intangible assets	1	1	-	2	1	1	50.0%	-	-
Total	5 376	263	-	5 639	5 637	2	100.0%	12 350	12 350

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 7.2: Workforce Development										
	2014/15							2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	22 187	(4 885)	(2 035)	15 267	15 267	-	100.0%	14 152	14 152	14 152
Compensation of employees	2 534	(1 000)	-	1 534	1 534	-	100.0%	2 070	2 070	2 070
Goods and services	19 653	(3 885)	(2 035)	13 733	13 733	-	100.0%	12 082	12 082	12 082
Transfers and subsidies	14 234	3 250	-	17 484	17 483	1	100.0%	6 136	6 136	6 136
Higher education institutions	1 460	-	-	1 460	1 460	-	100.0%	-	-	-
Non-profit institutions	4 621	3 250	-	7 871	7 871	-	100.0%	6 136	6 136	6 136
Households	8 153	-	-	8 153	8 152	1	100.0%	-	-	-
Payments for capital assets	2	-	-	2	2	-	100.0%	141	141	141
Machinery and equipment	-	-	-	-	-	-	-	141	141	141
Software and other intangible assets	2	-	-	2	2	-	100.0%	-	-	-
Total	36 423	(1 635)	(2 035)	32 753	32 752	1	100.0%	20 429	20 429	20 429

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub-programme: 7.3: Innovation									
2014/15								2013/14	
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 031	238	-	1 269	1 265	4	99.7%	1 239	1 239
Compensation of employees	997	245	-	1 242	1 242	-	100.0%	1 214	1 214
Goods and services	34	(7)	-	27	23	4	85.2%	25	25
Payments for capital assets	20	-	-	20	20	-	100.0%	-	-
Machinery and equipment	20	-	-	20	20	-	100.0%	-	-
Payment for financial assets	-	3	-	3	3	-	100.0%	-	-
Total	1 051	241	-	1 292	1 288	4	99.7%	1 239	1 239

APPROPRIATION STATEMENT for the year ended 31 March 2015

Sub programme: 7.4: Management: Skills Development and Innovation										
2014/15								2013/14		
	Adjusted Appro- priation	Shifting of Funds	Virement	Final Appro- priation	Actual Expen- diture	Variance	Expen- diture as % of final appro- priation	Final Appro- priation	Actual Expendi- ture	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Economic classification										
Current payments	2 182	1 132	-	3 314	3 313	1	100.0%	2 133	2 133	2 133
Compensation of employees	1 965	916	-	2 881	2 881	-	100.0%	1 916	1 916	1 916
Goods and services	217	216	-	433	432	1	99.8%	217	217	217
Payments for capital assets	58	(1)	(31)	26	25	1	96.2%	7	7	7
Machinery and equipment	58	(1)	(31)	26	25	1	96.2%	7	7	7
Total	2 240	1 131	(31)	3 340	3 338	2	99.9%	2 140	2 140	2 140

National Treasury issued an approval in a macro to only disclose AFS 2013/14 information at economic classification level 3.

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2015

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	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	35 556	35 529	27	0.0%
Integrated Economic Development Services <i>The underspending on the Programme due to two (2) transfer payments not being processed amounting to R123 000 for the Funding Fair project and R224 000 for the Business Bridge project.</i>	59 622	59 269	353	0.6%
Trade and Sector Development	236 595	235 959	636	0.3%
Business Regulation and Governance	49 123	49 123	-	0.0%
Economic Planning <i>The underspending on the Programme is due to a transfer payment not being processed amounting to R225 000 to the Western Cape Aquaculture Development Institute (WCADI).</i>	41 239	41 014	225	0.5%
Tourism, Arts and Entertainment	45 137	45 099	38	0.1%
Skills Development and Innovation	43 024	43 015	9	0.0%

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2015

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	96 395	96 341	54	0.1%
Goods and services	98 093	98 033	60	0.1%
Transfers and subsidies				
Provinces and municipalities	501	501	-	0.0%
Departmental agencies and accounts	115 067	115 067	-	0.0%
Higher education institutions	4 610	4 610	-	0.0%
Public corporations and private enterprises	5 710	5 587	123	2.2%
Non-profit institutions	176 877	175 840	1 037	0.6%
Households	9 446	9 444	2	0.0%
Payments for capital assets				
Machinery and equipment	3 508	3 497	11	0.3%
Intangible assets	56	47	9	16.1%
Payments for financial assets				
	89	88	1	1.1%

Transfers and subsidies: The underspending on Public Corporations and private enterprises is a result of the payment for the Funding Fair project being supported via a procurement process.

Transfers and subsidies: The underspending on Non-Profit Institutions amounting to R224 000 is as a result of matched funding not being finalised by the Business Bridge as per the agreement to support business enterprises.

The underspending on Non-Profit Institutions amounting to R813 000 is as a result of the payments to the Western Cape Aquaculture Development Institute (WCADI) not being processed due to the non-compliance to the transfer payment conditions as identified by the Department. The Department is currently investigating the matter. No further transfer payments have been made by the Department. Funds will not be requested for roll-over in the new financial year.

Payments for capital assets: The underspending on machinery and equipment was due to change in the acquisition plan of the Department.

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2015

		Note	2014/15	2013/14
			R'000	R'000
REVENUE				
Annual appropriation	1		510 296	372 973
Departmental revenue	2		6 647	4 695
Aid assistance	3		12 149	11 622
TOTAL REVENUE			529 092	389 290
EXPENDITURE				
Current expenditure				
Compensation of employees	4		96 342	90 791
Goods and services	5		98 026	78 844
Aid assistance	3		11 567	9 218
Total current expenditure			205 935	178 853
Transfers and subsidies				
Transfers and subsidies	7		311 051	193 480
Total transfers and subsidies			311 051	193 480
Expenditure for capital assets				
Tangible assets	8		3 478	3 016
Intangible assets	8		23	61
Total expenditure for capital assets			3 501	3 077
Payments for financial assets		6	88	36
TOTAL EXPENDITURE			520 575	375 446
SURPLUS FOR THE YEAR			8 517	13 844
Reconciliation of Net Surplus for the year				
Voted funds			1 288	6 745
Departmental revenue and PRF Receipts			6 647	4 695
Aid assistance			582	2 404
SURPLUS FOR THE YEAR			8 517	13 844

STATEMENT OF FINANCIAL POSITION as at 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
ASSETS			
Current assets		5 605	9 372
Cash and cash equivalents	9	4 369	7 948
Prepayments and advances	10	965	1 212
Receivables	11	271	212
Non-current assets		223 790	142 000
Investments	12	223 790	142 000
TOTAL ASSETS		229 395	151 372
LIABILITIES			
Current liabilities		5 551	9 322
Voted funds to be surrendered to the Revenue Fund	13	2 439	6 745
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	14	118	160
Payables	15	8	13
Aid assistance unutilised	3	2 986	2 404
TOTAL LIABILITIES		5 551	9 322
NET ASSETS		223 844	142 050
Represented by:			
Capitalisation reserve		223 790	142 000
Recoverable revenue		54	50
TOTAL		223 844	142 050

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
Capitalisation Reserves			
Opening balance		142 000	142 000
Transfers:			
Other movements		81 790	-
Closing balance		223 790	142 000
Recoverable revenue			
Opening balance		50	156
Transfers:		4	(106)
Debts revised		4	7
Debts recovered (included in departmental receipts)		(7)	(122)
Debts raised		7	9
Closing balance		54	50
TOTAL		223 844	142 050

CASH FLOW STATEMENT for the year ended 31 March 2015

		Note	2014/15		2013/14
			R'000		R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts			560 166		416 177
Annual appropriated funds received	1.1		510 296		372 973
Departmental revenue received	2		37 718		31 568
Interest received	2.2		3		14
Aid assistance received	3		12 149		11 622
Net decrease in working capital			183		271
Surrendered to Revenue Fund			(43 357)		(32 723)
Current payments			(205 935)		(178 853)
Payments for financial assets			(88)		(36)
Transfers and subsidies paid			(311 051)		(193 480)
Net cash flow available from operating activities	16		(82)		11 356
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for capital assets	8		(3 501)		(4 228)
(Increase) in investments			(81 790)		-
Net cash flows from investing activities			(85 291)		(4 228)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase/(decrease) in net assets			81 794		(106)
Net cash flows from financing activities			81 794		(106)
Net (decrease)/increase in cash and cash equivalents			(3 579)		7 022
Cash and cash equivalents at beginning of period			7 948		926
Cash and cash equivalents at end of period	17		4 369		7 948

ACCOUNTING POLICIES for the year ended 31 March 2015

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard. Under the modified cash basis of accounting, only certain elements are recognised in the Statement of Financial Position and Statement of Financial Performance, while others are recorded for presentation purposes. Elements are primarily recognised when they arise from cash flows or outflows. This differs from accrual accounting which requires the recognition of the effects of transactions and other events when they occur, rather than when cash and its equivalent is received or paid.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information 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.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.

ACCOUNTING POLICIES

for the year ended 31 March 2015

7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <ul style="list-style-type: none"> it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.2.1	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 notes to the financial statements. All other losses are recognised when authorisation has been granted for the recognition thereof.
8.2.2	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).
8.3	Accrued expenditure payable Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the Department. Accrued expenditure payable is measured at cost.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <ul style="list-style-type: none"> cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

ACCOUNTING POLICIES

for the year ended 31 March 2015

9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the Department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p> <p>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 impairments 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 cost and the present value of the expected future cash flow/service potential flowing from the investment. Specific information with regard to impairment of investment is included in the notes.</p>
15	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
16	Capital Assets
16.1	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>

ACCOUNTING POLICIES

for the year ended 31 March 2015

16.2	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements 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 or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department.</p>
17.4	<p>Commitments</p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>

ACCOUNTING POLICIES

for the year ended 31 March 2015

20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements (see note 27 to the Annual Financial Statements).</p>
23	<p>Agent-Principal arrangements</p> <p>Specific information with regard to Agent-Principal relationships is included in the disclosure notes.</p>
24	<p>Capitalisation reserve</p> <p>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 National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
25	<p>Recoverable revenue</p> <p>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 National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
26	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length (see note 25 to the Annual Financial Statements).</p>
27	<p>Key management personnel</p> <p>Compensation paid to key management personnel including their family members where relevant is included in the notes (see note 26 to the Annual Financial Statements).</p>
28	<p>Public Private Partnerships</p> <p>A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the notes to the Annual Financial Statements.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for Provincial Departments:

	2014/15			2013/14
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	35 556	35 556	-	33 249
Integrated Economic Development Services	59 622	59 622	-	50 007
Trade and Sector Development	236 595	236 595	-	129 828
Business Regulation and Governance	49 123	49 123	-	41 481
Economic Planning	41 239	41 239	-	34 696
Tourism, Arts and Entertainment	45 137	45 137	-	47 554
Skills Development and Innovation	43 024	43 024	-	36 158
Total	510 296	510 296	-	372 973

During 2014/15, an additional amount of R81.79 million was earmarked for the Cape Town International Convention Centre for the expansion of its facilities as well as an additional R22.8 million was invested in the Saldanha Industrial Development Zone Project.

2. Departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Tax revenue		27 411	28 328
Sales of goods and services other than capital assets	2.1	436	389
Interest, dividends and rent on land	2.2	3	14
Transactions in financial assets and liabilities	2.3	9 871	2 851
Total revenue collected		37 721	31 582
Less: Own revenue included in appropriation	14	31 074	26 887
Departmental revenue collected		6 647	4 695

2.1 Sales of goods and services other than capital assets

	Note	2014/15 R'000	2013/14 R'000
Sales of goods and services produced by the Department	2	436	389
Administrative fees		419	377
Other sales		17	12
Total		436	389

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

2.2 Interest, dividends and rent on land

	Note	2014/15 R'000	2013/14 R'000
Interest	2	3	14
Total		3	14

2.3 Transactions in financial assets and liabilities

	Note	2014/15 R'000	2013/14 R'000
Other Receipts including Recoverable Revenue	2	9 871	2 851
Total		9 871	2 851

Increase in departmental revenue relates to the payover from Western Cape Liquor Authority due to the over-collection of tax revenue.

3. Aid assistance

	Note	2014/15 R'000	2013/14 R'000
Opening Balance		2 404	-
Transferred from statement of financial performance (restated)		582	2 404
Closing Balance		2 986	2 404

3.1 Analysis of balance by source

	Note	2014/15 R'000	2013/14 R'000
Aid assistance from other sources	3	2 986	2 404
Closing balance		2 986	2 404
Opening balance	3	2 404	-
Revenue		12 149	11 622
Expenditure		(11 567)	(9 218)
Closing balance		2 986	2 404

During the year, R11 969 million (2014: R11 622 million) was received from the Development Bank of Southern Africa and R180 000 (2014: nil) was received from Wholesale & Retail Seta.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

3.2 Analysis of balance

	Note	2014/15 R'000	2013/14 R'000
Aid assistance unutilised	3	2 986	2 404
Closing balance		2 986	2 404

3.3 Prior period error

	Note	2014/15 R'000	2013/14 R'000
	3		
Nature of prior period error			
Relating to 2013/14			2 404
Development Bank of Southern Africa (DBSA) funding was disclosed as a current payable. Refer note 31.			2 404
Total			2 404

4. Compensation of employees

4.1 Salaries and Wages

	Note	2014/15 R'000	2013/14 R'000
Basic salary		67 679	61 843
Performance award		1 523	1 396
Service Based		116	168
Compensative/circumstantial		2 344	2 429
Periodic payments		795	2 113
Other non-pensionable allowances		14 162	13 795
Total		86 619	81 744

4.2 Social contributions

	Note	2014/15 R'000	2013/14 R'000
Employer contributions			
Pension		7 563	6 891
Medical		2 144	2 141
Bargaining council		16	15
Total		9 723	9 047
Total compensation of employees		96 342	90 791

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

5. Goods and services

	Note	2014/15 R'000	2013/14 R'000
Administrative fees		219	174
Advertising		6 065	4 672
Minor assets	5.1	435	702
Bursaries (employees)		293	190
Catering		1 377	1 331
Communication		1 554	1 798
Computer services	5.2	1 751	1 105
Consultants: Business and advisory services		56 922	50 093
Legal services		166	45
Contractors		917	396
Agency and support / outsourced services		1 886	2 185
Entertainment		31	46
Audit cost – external	5.3	3 119	3 392
Fleet services		624	799
Consumables	5.4	1 234	1 647
Operating leases		726	762
Property payments	5.5	7	-
Rental and hiring		396	63
Travel and subsistence	5.6	3 443	4 222
Venues and facilities		1 595	1 333
Training and development		14 555	2 981
Other operating expenditure	5.7	711	908
Total		98 026	78 844

Advertising and Contractors costs: Increase in expenditure due to marketing efforts for key initiatives such as Red Tape, Green Cape and Enterprise Development.

Consultants: Business and advisory services: During the year under review, the Department was tasked with developing the Economic Strategy for the Province. In this regard, additional funding was sourced from other Departments to source a suitable consultant. This resulted in an increase in the expenditure.

Rental and Hiring: Additional parking bays were purchased during the year under review.

Training and development: Increase due to the roll out of the revised Skills Development strategy. Included in training is an amount of R12 185 655 paid for beneficiaries as a part of the Skills Development Programme to promote the technical skills component of the Department's work and skills strategy.

Fleet services: The SCOA version 4 was implemented effective 1 April 2014, resulting in a change in accounting policy with the reclassification of 2013/14 AFS information. This resulted in travel and subsistence expenditure to the value of R799 183 in 2013/14 which was reclassified as fleet services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

5.1 Minor assets

	Note	2014/15 R'000	2013/14 R'000
	5		
Tangible assets		435	683
Machinery and equipment		435	683
Intangible assets		-	19
Software		-	19
Total		435	702

5.2 Computer services

	Note	2014/15 R'000	2013/14 R'000
	5		
SITA computer services		344	382
External computer service providers		1 407	723
Total		1 751	1 105

Increased expenditure due to additional licence fees paid for access to Economic Information databases.

5.3 Audit cost – External

	Note	2014/15 R'000	2013/14 R'000
	5		
Regularity audits		3 119	3 392
Total		3 119	3 392

5.4 Consumables

	Note	2014/15 R'000	2013/14 R'000
	5		
Consumable supplies		188	111
Household supplies		82	43
Building material and supplies		30	44
Communication accessories		1	-
IT consumables		14	-
Other consumables		61	24
Stationery, printing and office supplies		1 046	1 536
Total		1 234	1 647

The SCOA version 4 was implemented effective 1 April 2014, resulting in a change in accounting policy with the reclassification of 2013/14 AFS information. This resulted in inventory expenditure to the value of R1.6 million in 2013/14 being reclassified as consumables. Decrease in expense due to implementation of National Treasury cost containment circular.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

5.5 Property payments

	Note	2014/15 R'000	2013/14 R'000
Municipal services	5	7	-
Total		7	-

5.6 Travel and subsistence

	Note	2014/15 R'000	2013/14 R'000
	5		
Local		2 718	3 803
Foreign		725	1 218
Total		3 443	5 021

Decrease in expense due to implementation of National Treasury cost containment circular.

5.7 Other operating expenditure

	Note	2014/15 R'000	2013/14 R'000
	5		
Resettlement costs		-	1
Other *		711	907
Total		711	908

*Included in the disclosure for "other" is an amount of R710 777 paid for printing and publication expenditure such as Annual Reports, Consumer Protector Booklets and the Annual Performance Plan.

6. Payments for financial assets

	Note	2014/15 R'000	2013/14 R'000
Material losses through criminal conduct		46	-
Theft	6.3	46	-
Other material losses written off	6.1	30	18
Debts written off	6.2	12	18
Total		88	36

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

6.1 Other material losses written off

	Note	2014/15 R'000	2013/14 R'000
	6		
Damages to Government vehicles (5 cases)		22	-
Damages to hired vehicles (2 cases)		6	3
Equipment loss written off		-	15
Interest written off (15 cases)		2	-
Total		30	18

6.2 Debts written off

	Note	2014/15 R'000	2013/14 R'000
Debt accounts written off (8 cases)	6	12	18
Total		12	18

6.3 Details of theft

	Note	2014/15 R'000	2013/14 R'000
Theft of equipment (3 cases)	6	46	-
Total		46	-

The Accounting Officer approved the write off of 3 laptops for the year under review.

7. Transfers and subsidies

	Note	2014/15 R'000	2013/14 R'000
Provinces and municipalities	Annex 1A	500	5 150
Departmental agencies and accounts	Annex 1B	115 069	93 065
Higher education institutions	Annex 1C	4 610	800
Public corporations and private enterprises	Annex 1D	5 587	6 976
Non-profit institutions	Annex 1E	175 840	85 589
Households	Annex 1F	9 444	1 900
Total		311 050	193 480

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

8. Expenditure for capital assets

	Note	2014/15 R'000	2013/14 R'000
Tangible assets		3 478	3 016
Machinery and equipment	28	3 478	3 016
Intangible assets		23	61
Software	29	23	61
Total		3 501	3 077

8.1 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	3 478	-	3 478
Machinery and equipment	3 478	-	3 478
Intangible assets	23	-	23
Software	23	-	23
Total	3 501	-	3 501

8.2 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	3 016	-	3 016
Machinery and equipment	3 016	-	3 016
Intangible assets	61	-	61
Software	61	-	61
Total	3 077	-	3 077

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2014/15 R'000	2013/14 R'000
Tangible assets		1 306	1 105
Machinery and equipment		1 306	1 105
Total		1 306	1 105

9. Cash and cash equivalents

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General Account		12 161	21 294
Disbursements		(7 822)	(13 376)
Cash on hand		30	30
Total		4 369	7 948

10. Prepayments and advances

	Note	2014/15 R'000	2013/14 R'000
Travel and subsistence		36	61
Prepayments		929	1 151
Total		965	1 212

Travel and subsistence include advances for overseas travel. Decrease due to the implementation of the National Treasury cost containment circular.

11. Receivables

	Note	2014/15				2013/14
		Less than one year	One to three years	Older than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Recoverable expenditure	11.1	136	32	7	175	100
Staff debt	11.2	15	20	61	96	112
Total		151	52	68	271	212

The above analysis is stated in terms of the aging of receivables.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

11.1 Classification of receivables

	2014/15		
	Current R'000	Non-current R'000	Total R'000
Receivables	127	144	271
Total	127	144	271

Receivables are split in terms of the probability of recoverability over the next 12 months

11.2 Impairment of receivables

	2014/15 R'000	2013/14 R'000
Receivables	75	-
Total	75	-

11.3 Recoverable expenditure (disallowance accounts)

	Note	2014/15 R'000	2013/14 R'000
	11		
Disallowance damages and losses		158	99
Salary: Income tax		-	1
Salary: Reversal control		13	-
Salary: Tax debt		4	-
Total		175	100

Increase in losses due to theft of assets. Case is currently under investigation.

11.4 Staff debt

	Note	2014/15 R'000	2013/14 R'000
Debt account	11	96	112
Total		96	112

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

12. Investments

	Note	2014/15 R'000	2013/14 R'000
Non-Current			
Shares and other equity			
Cape Town International Convention Centre		223 790	142 000
Total		223 790	142 000
Analysis of non-current investments			
Opening balance		142 000	142 000
Additions in cash		81 790	-
Closing balance		223 790	142 000
Number of shares		37 569	14 200

On 28th March 2014, the Cape Town International Convention Company SOC Limited ("CTICC") issued a notice of fresh subscription offer letter to all its shareholders. The Department acquired additional shares in the Cape Town International Convention Centre during the year. The funds raised will be used to expand the existing capacity of the CTICC facilities.

12.1 Impairment of investments

	Note	2014/15 R'000	2013/14 R'000
Estimate of impairment		63 276	72 233
Total		63 276	72 233

The calculation of the impairment is based on the percentage shareholding in the Cape Town International Convention Centre.

As at reporting date, the Provincial Government of the Western Cape has a shareholding of 21.9% (2013/14: 25.09%) in the Cape Town International Convention Centre Company (Pty) Ltd. The percentage shareholding will be finalised upon conclusion of the transaction.

13. Voted funds to be surrendered to the Revenue Fund

	Note	2014/15 R'000	2013/14 R'000
Opening balance		6 745	1 241
Prior period error	31	-	1 151
As restated		6 745	2 392
Transfer from statement of financial performance (as restated)		1 288	5 594
Paid during the year		(5 594)	(1 241)
Closing balance		2 439	6 745

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

13.1 Prior period error

	Note	2013/14 R'000
	13	
Nature of prior period error		
Relating to 2013/14		1 151
Expenditure for capital assets reclassified as prepayments.		1 151
Total		1 151

14. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund

	Note	2014/15 R'000	2013/14 R'000
Opening balance		160	60
Transfer from Statement of Financial Performance		6 647	4 695
Own revenue included in appropriation		31 074	26 887
Paid during the year		(37 763)	(31 482)
Closing balance		118	160

15. Payables – current

	Note	2014/15 R'000	2013/14 R'000
Clearing accounts	15.1	8	-
Other payables	15.2	-	13
Total		8	13

15.1 Clearing accounts

	Note	2014/15 R'000	2013/14 R'000
	15		
Salary: Income Tax		5	-
Salary: Medical Aid		3	-
Total		8	-

15.2 Other payables

	Note	2014/15 R'000	2013/14 R'000
Debt account	15	-	1
Salary: ACB Recalls		-	12
Total		-	13

The comparative figures have been restated. Refer note 31.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

16. Net cash flow available from operating activities

	Note	2014/15 R'000	2013/14 R'000
Net surplus as per Statement of Financial Performance		8 517	12 693
Add back non cash/cash movements not deemed operating activities		(8 599)	(1 337)
(Increase)/decrease in receivables – current		(59)	299
Decrease/(increase) in prepayments and advances		247	(36)
(Decrease)/increase in payables – current		(5)	8
Expenditure on capital assets		3 501	4 228
Surrenders to Revenue Fund		(43 357)	(32 723)
Own revenue included in appropriation		31 074	26 887
Other non-cash items			
Net cash flow generated by operating activities		(82)	11 356

17. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General account		12 161	21 294
Disbursements		(7 822)	(13 376)
Cash on hand		30	30
Total		4 369	7 948

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

	Note	2014/15 R'000	2013/14 R'000
Liable to			
Nature			
Claims against the department	Annex 2	-	240
Total		-	240

The Department may incur a potential liability in terms of the Policy and Procedure on Incapacity Leave and Ill-health Retirement (PILIR). The Department of Public Services and Administration (DPSA) contracted Metropolitan Health (Pty) Ltd on 17 October 2014, as the preferred Health Risk Manager to evaluate and finalise the stockpiled PILIR cases. Metropolitan Health collected all the stockpiled PILIR cases on 15 January 2015 which consists of ill health, retirements and death cases, to be finalized by no later than 31 March 2016.

The Department of the Premier (Corporate Services Centre) confirmed the DPSA agreement with Metropolitan Health (Pty) Ltd in an agreement signed by the Director-General on 8 December 2014.

In terms of the Department of Economic Development and Tourism, 2 stockpiled cases were forwarded and 1 was received back from Metropolitan Health to date. The CSC continuously monitors these cases with Metropolitan and will update departments as the process unfolds.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

19. Commitments

	Note	2014/15 R'000	2013/14 R'000
Current expenditure		9 226	39 511
Approved and contracted		9 226	39 511
Capital expenditure		-	45
Approved and contracted		-	45
Total Commitments		9 226	39 556

Contracts relating to the Broadband Project were concluded during the current financial year. This resulted in a decrease from the prior year.

20. Accruals and payables not recognised

			2014/15 R'000	2013/14 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	654	1 378	2 032	731
Other	172	-	172	157
Total	826	1 378	2 204	888

"Other" refers to employee benefits, including overtime due after March 2015 pertaining to the 2014/15 financial year.

The comparative figures have been restated to be consistent with the Modified Cash Standard.

	Note	2014/15 R'000	2013/14 R'000
Listed by programme level			
Programme 1		164	330
Programme 2		65	136
Programme 3 *		1 392	46
Programme 4		259	168
Programme 5		17	76
Programme 6		58	24
Programme 7		249	108
Total		2 204	888

*Included in Programme 3 is expenditure that relates to Broadband services provided in March 2015 but invoiced in April 2015.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

	Note	2014/15 R'000	2013/14 R'000
Confirmed balances with other departments	Annex 3	156	54
Confirmed balances with other government entities	Annex 3	153	-
Total		309	54

21. Employee benefits

	Note	2014/15 R'000	2013/14 R'000
Leave entitlement *		3 526	2 731
Service bonus (Thirteenth cheque)		2 208	2 011
Performance awards **		1 189	1 279
Capped leave commitments		968	869
Other ***		32	17
Total		7 923	6 907

* Included in the 2014/15 disclosure for leave entitlement is the negative leave amount of R121 576 for the leave owed to the Department for those employees who went over their leave credits. The increase in the leave entitlement is due to the annual increase, pay progression and the affording of higher notches to employees as well as a significant number of staff not utilising their annual leave as per reporting period.

** Performance awards are calculated at 1.5% on the 2015/16 budget for Compensation of Employees for the Department.

*** "Other" refers to long service awards, due after March 2015 pertaining to the 2014/15 financial year.

The comparative figures have been restated to be consistent with the Modified Cash Standard.

22. Lease commitments

22.1 Operating leases expenditure

2014/15	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	504	504
Later than 1 year and not later than 5 years	-	-	-	213	213
Total lease commitments	-	-	-	717	717

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

2013/14	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	764	764
Later than 1 year and not later than 5 years	-	-	-	381	381
Total lease commitments	-	-	-	1 145	1 145

These leases relate to the Department's photocopiers.

22.2 Finance leases expenditure

2014/15	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	84	84
Later than 1 year and not later than 5 years	-	-	-	3	3
Total lease commitments	-	-	-	87	87

2013/14	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	88	88
Later than 1 year and not later than 5 years	-	-	-	19	19
Total lease commitments	-	-	-	107	107

These finance leases relate to the Department's 3G cards.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

22.3 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 1 year	2 – 5 years	More than 5 years
	R'000	R'000	R'000
2015	1 432	6 093	-
Total lease payments	1 432	6 093	-
2014	986	3 521	480
Total lease payments	986	3 521	480

The Department of Economic Development and Tourism leased 22 vehicles from GMT during 2015 (2014: 18). 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 Provincial Treasury's 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.

23. Accrued departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Tax revenue		408	-
Total		408	-

Accrued departmental revenue relates to tax revenue collected during March 2015 but paid over during April 2015.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

23.1 Analysis of accrued departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Opening balance		-	1 857
Less: amounts received		-	(1 857)
Add: amounts recognised		408	-
Closing balance		408	-

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2014/15 R'000	2013/14 R'000
Opening balance		6 013	6 013
Less: Prior year amounts condoned		(6 013)	-
Closing balance		-	6 013

Analysis of awaiting condonation per age classification

Current year	-	-
Prior years	-	6 013
Total	-	6 013

24.2 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2014/15 R'000
Non-compliance to paragraph 3.3.3 of National Treasury Practice Note No.8 of 2007/2008 issued in terms of Treasury Regulation 16.A6.1	Accounting Officer	6 013
Total		6 013

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

25. Related party transactions

Payments made	2014/15 R'000	2013/14 R'000
Transfers (CTICC)	81 790	-
Total	81 790	-

During the financial year the Department received services from the following related parties as indicated below:

- 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
 - Provincial Forensic Investigations
 - Legal Services
 - Corporate Communication
- The Department has two public entities under its control:
 - Wesgro and its subsidiary Saldanha Bay IDZ Licensing Company. The Saldanha Bay IDZ Licensing Company has initiated a process to become a schedule 3D business enterprise entity.
 - Western Cape Liquor Authority
- 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 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 and is currently a director of Convenco.
- The Department occupies a building free of charge managed by the Department of Transport and Public Works. Parking space is also provided for government officials at an approved fee that is not market related.
- All Provincial Departments within the Western Cape are related parties.
- The Department acquired the additional shares in the Cape Town International Convention Centre of which the purchase price will be used to expand the existing capacity of the CTICC facilities. This acquisition was done via a transfer payment.
- This Department and the Department of Agriculture fall into the same Ministerial portfolio. The Department of Agriculture has a total shareholding in Casidra SOC Ltd under the oversight of the Provincial Minister of Agriculture and Rural Development.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

26. Key management personnel

	No. of Individuals	2014/15 R'000	2013/14 R'000
Officials:			
Level 15 to 16 *	1	1 488	2 076
Level 14 (incl. CFO if at a lower level)	6	6 697	5 526
Total		8 185	7 602

*During 2013/14, there were 2 officials at the level 15.

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

27. Non-adjusting events after reporting date

Nature of event

At the time of preparing and submitting the annual financial statements, there is an additional shareholding in CTICC that will be purchased during the 2015/16 financial year.

28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance		Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
MACHINERY AND EQUIPMENT	14 820		2 175	(703)	16 292
Transport assets	2 940		1 151	-	4 091
Computer equipment	5 472		828	(546)	5 754
Furniture and office equipment	4 080		109	(84)	4 105
Other machinery and equipment	2 328		87	(73)	2 342
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	14 820		2 175	(703)	16 292

Movable Tangible Capital Assets under investigation	Number	Value R'000
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Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

Machinery and equipment	4	48
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The abovementioned assets have been confirmed as potential losses with the relevant officials and are therefore under investigation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Re-ceived current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	3 481	-	(1 306)	-	2 175
Transport assets	2 415	-	(1 264)	-	1 151
Computer equipment	828	-	-	-	828
Furniture and office equipment	109	-	-	-	109
Other machinery and equipment	129	-	(42)	-	87
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	3 481	-	(1 306)	-	2 175

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	(703)	(703)	-
Computer equipment	-	(546)	(546)	-
Furniture and office equipment	-	(84)	(84)	-
Other machinery and equipment	-	(73)	(73)	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	(703)	(703)	-

Included in the above amount are assets written off to the value of R193 000.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

28.3 Movement for 2013/14

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 201

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	15 880	(1 151)	3 062	(2 971)	14 820
Transport assets	4 318	(1 151)	1 151	(1 378)	2 940
Computer equipment	4 749	-	1 390	(667)	5 472
Furniture and office equipment	4 387	-	453	(760)	4 080
Other machinery and equipment	2 426	-	68	(166)	2 328
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	15 880	(1 151)	3 062	(2 971)	14 820

28.3.1 Prior period error

	Note	2013/14 R'000
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28.3

Nature of prior period error

Relating to 2013/14

During year under review, the Department entered into an agreement with Government Motor Vehicles (GMT) to purchase 4 new vehicles. The vehicles were received in 2014/15 therefore the Department corrected the disclosure from payment for capital to assets to prepayments.

Total

1 151

1 151

1 151

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Spe- cialised military assets	Intan- gible assets	Heritage assets	Machin- ery and equip- ment	Biologi- cal assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	29	-	4 130	-	4 159
Additions	-	-	-	435	-	435
Disposals	-	-	-	(171)	-	(171)
TOTAL MINOR ASSETS	-	29	-	4 394	-	4 423

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Spe- cialised military assets	Intan- gible assets	Heritage assets	Machin- ery and equip- ment	Biologi- cal assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	-	-	392	-	392
Number of minor assets at cost	-	8	-	2 512	-	2 520
TOTAL NUMBER OF MINOR ASSETS	-	8	-	2 904	-	2 912

Included in the total disposal amount are minor assets written off of R6 000.

Movable Tangible Capital Assets under investigation

Number

Value
R'000

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

Machinery and equipment	34	58
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The above mentioned assets have been confirmed as potential losses with the relevant officials and are therefore under investigation.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Spe- cialised military assets	Intan- gible assets	Heritage assets	Machin- ery and equip- ment	Biologi- cal assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	15	-	3 780	-	3 795
Additions	-	19	-	683	-	702
Disposals	-	(5)	-	(333)	-	(338)
TOTAL MINOR ASSETS	-	29	-	4 130	-	4 159

	Spe- cialised military assets	Intan- gible assets	Heritage assets	Machin- ery and equip- ment	Biologi- cal assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	-	-	495	-	495
Number of minor assets at cost	-	8	-	2 377	-	2 385
TOTAL NUMBER OF MINOR ASSETS	-	8	-	2 872	-	2 880

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2015

28.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Spe- cialised military assets	Intan- gible assets	Heritage assets	Machin- ery and equip- ment	Biologi- cal assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	6	-	6
TOTAL MOVABLE	-	-	-	6	-	6

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance		Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
SOFTWARE	984		23	-	1 007
TOTAL INTANGIBLE CAPITAL ASSETS	984		23	-	1 007

29.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Cash	Non- Cash	(Devel- opment work in progress – current costs)	Re- ceived current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	23	-	-	-	23
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	23	-	-	-	23

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

29.2 Movement for 2013/14

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Prior pe- riod error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	999	-	61	(76)	984
TOTAL INTANGIBLE CAPITAL ASSETS	999	-	61	(76)	984

30. Changes in accounting estimates

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances

	Value de- rived using the original estimate	Value de- rived using amended estimate	R-value impact of change in estimate
	R'000	R'000	R'000

Accounting estimate change 1: Change in percentage shareholding

Impairment of Investment

72 233	63 276	(8 957)
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The percentage shareholding in the Cape Town International Convention Centre has changed with the issue of additional shares to fund the expansion of the existing facilities. The shareholding changed from 25.9% to 21.9% during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2015

31. Prior period errors

31.1 Correction of prior period errors – Development Bank of Southern Africa (DBSA)

During the 2013/14 financial year, funding was received from the Development Bank of Southern Africa (DBSA). The funding was previously disclosed as a current payable. During the current year, the funding was reclassified as aid assistance and the comparative was restated. The effects on the comparatives are as follows:

	Note	2013/14 R'000
Revenue:		
Aid assistance	3	11 622
Net effect		11 622
Expenditure:		
Aid assistance	3	9 218
Net effect		9 218
Liabilities:		
Aid assistance unutilised	3.2	2 404
Payable current	3.3	(2 404)
Net effect		-

31.2 Correction of prior period errors – Prepayment for motor vehicles purchase

During the 2013/14 financial year, a prepayment was made to Government Motor Transport (GMT) for the purchase of new motor vehicles. The amount was incorrectly classified as expenditure for capital assets. During the current year, the amount was reclassified as a prepayment and the comparative was restated. The effects on the comparatives are as follows:

	Note	2013/14 R'000
Expenditure:		
Expenditure for capital assets – tangible assets	8	(1 151)
Net effect		(1 151)
Assets:		
Prepayments and advances	10	1 151
Net effect		1 151

ANNEXURE 1A **STATEMENT OF TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allo-cations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
City of Cape Town	500	-	-	500	500	-	-	500	500	100%	2 350
Saldanha Bay Municipality	-	-	-	-	-	-	-	-	-	-	2 800
	500	-	-	500	500	-	-	500	500		5 150

**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2013/14
	Adjusted Appro- priation	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Trans- ferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
National Research Foundation	-	-	-	-	-	-	1 200
Small Enterprise Development Agency	2 000	-	-	2 000	2 000	100%	5 000
South African Broadcasting Corporation (SABC)	1	-	1	2	2	100%	1
Saldanha IDZ Licensing Company	28 091	-	-	28 091	28 091	100%	-
Wesgro	45 735	-	1 000	46 735	46 735	100%	55 928
Western Cape Liquor Authority	38 240	-	1	38 241	38 241	100%	30 936
	114 067	-	1 002	115 069	115 069		93 065

**ANNEXURE 1C
STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2013/14
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Cape Peninsula University of Technology	2 760	-	-	2 760	2 760	-	100%	250
University of Cape Town	1 000	-	-	1 000	1 000	-	100%	-
University of Stellenbosch	150	-	-	150	150	-	100%	-
University of the Western Cape	700	-	-	700	700	-	100%	550
	4 610	-	-	4 610	4 610	-		800

**ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE			2013/14
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	
						R'000			
Public Corporations									
	Transfers								
	5 000	-	-	5 000	5 000	100%	-	5 000	5 500
	-	-	-	-	-	-	-	-	626
	-	-	-	-	-	-	-	-	500
Sub total	5 000	-	-	5 000	5 000		-	5 000	6 626
Private Enterprises									
	Transfers								
	600	-	-	600	477	79.5%	-	477	350
	100	-	-	100	100	100%	-	100	-
	10	-	-	10	10	100%	-	10	-
Sub total	710	-	-	710	587		-	587	350
TOTAL	5 710	-	-	5 710	5 587		-	5 587	6 976

ANNEXURE 1E STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Trans- ferred	Appro- priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
BPESA	4 500	-	-	4 500	4 500	100%	4 500
Broadband Foundation	1 000	-	-	1 000	1 000	100%	-
Cape Clothing and Textile Cluster	2 500	-	-	2 500	2 500	100%	2 500
Cape Craft and Design Institute	15 000	-	500	15 500	15 500	100%	10 695
Cape Information and Technology Institute (CITI)	3 900	-	-	3 900	3 900	100%	9 712
Cape Town Fashion Council	2 622	-	-	2 622	2 622	100%	2 500
Cape Town Partnership	-	-	-	-	-	-	800
Clotex	3 300	-	-	3 300	3 300	100%	3 000
College of Cape Town	-	-	-	-	-	-	93
Cape Town International Convention Centre (Convenco)	81 790	-	-	81 790	81 790	100%	-
Digital Village	200	-	-	200	200	100%	2 000
False Bay College	-	-	-	-	-	-	109
Genesis Community IT Initiative	2 760	-	450	3 210	3 210	100%	-
Green Cape	14 080	-	-	14 080	14 080	100%	9 450
Home of Compassion	200	-	-	200	200	100%	2 000
Learning Cape Initiative	-	-	-	-	-	-	500
National Empowerment Fund	6 000	-	3 000	9 000	9 000	100%	6 600
Northlink College	-	-	-	-	-	-	109
Project Isizwe	200	-	-	200	200	100%	2 000
South African Oil and Gas	11 462	-	3 250	14 712	14 712	100%	11 000
South African Honeybush Tea Association	-	-	-	-	-	-	500
The Business Bridge	3 000	-	-	3 000	2 776	93%	-
The Business Place	1 500	-	-	1 500	1 500	100%	550
West Coast Business Development Centre	1 500	-	-	1 500	1 500	100%	550
Western Cape Aquaculture Initiative	3 150	-	-	3 150	2 337	74%	2 550
Western Cape Economic Development Partner	8 896	-	-	8 896	8 896	100%	10 541
Western Cape Fine Food Initiative	837	-	280	1 117	1 117	100%	1 500
Western Cape Furniture Initiative	-	-	-	-	-	-	200
Western Cape Tooling Initiative	1 000	-	-	1 000	1 000	100%	1 630
Total	169 397	-	7 480	176 877	175 840		85 589

ANNEXURE 1F STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Bursaries (non-employees)	8 752	-	-	8 752	8 752	100%	1 270
Donations and gifts (Monetary gifts given to the winners of the Premier Entrepreneurship Recognition Awards)	592	-	-	592	590	100%	495
Injury on duty	-	-	2	2	4	200%	2
Leave gratuity (10 employees have left public service during the year)	34	-	65	99	98	99%	133
Total	9 378	-	67	9 445	9 444		1 900

**ANNEXURE 1G
STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	Opening Balance	Revenue	Expenditure	Closing Balance
		R'000	R'000	R'000	R'000
Received in cash					
Development Bank of Southern Africa (DBSA)	Work and Skills Programme	2 404	11 969	(11 567)	2 806
W&RSeta	Work and Skills Programme	-	180	-	180
TOTAL		2 404	12 149	(11 567)	2 986

ANNEXURE 2
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

Nature of Liability	Opening Balance 1 April 2014	Liabilities incurred during the year	Liabilities paid/can- celled/ reduced during the year	Liabilities recover- able (Provide details hereunder)	Closing Balance 31 March 2015
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Crown Art (Pty) Ltd t/a Tretchikoff Foundation (The claim has been withdrawn by the Plaintiff on the basis that each party will be liable for its own legal costs.)	240	-	(240)	-	-
In the case of the Cape Film Commission (1103/12/P19), a motion has been filed. The Department will oppose the application. The case is ongoing.					
TOTAL	240	-	(240)	-	-

ANNEXURE 3 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2014/15	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	%		R'000
DEPARTMENTS								
Current								
Department of the Premier	156	54	-	-	156	54	-	-
Total	156	54	-	-	156	54	-	-
OTHER GOVERNMENT ENTITY								
Current								
Government Motor Transport	153	-	-	-	153	-	-	-
Total	153	-	-	-	153	-	-	-
TOTAL INTERGOVERNMENTAL	309	54	-	-	309	54	-	-

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