



**Western Cape
Government**

Economic Development
and Tourism



Citizen's Report 2016/17

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

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Message from the Minister of Economic Opportunities



Mr Alan Winde

We are midway through our second term in office, and I am pleased to report we are making steady progress in meeting our 2019 targets.

During the period under review, we reached key milestones in our Project Khulisa growth strategy.

In 2017, our tourism sector achieved 27% year-on-year growth in international arrivals. This growth is being driven by the Cape Town Air Access initiative, a Project Khulisa partnership. There are also 26 000 more jobs in tourism since 2014.

Over the same period, we've seen jobs growth of 127 000 in our agri-processing and agriculture sectors, despite the drought.

In partnership with the National Government, we have also committed significant funding toward the development of the Saldanha Bay Industrial Development Zone. In Atlantis, we are getting closer to officially designating the Special Economic Zone for the GreenTech sector. There are five investors in Atlantis that are already operational, totalling an investment of approximately R680 million. There are additional investment commitments worth R1.8 billion that are already secured for the short to medium term.

The Department has continued to deliver a comprehensive support programme to entrepreneurs across the province.

To continue expanding access to the digital economy, we have connected 178 wards to the internet, through our Public Access Wi-Fi project, a partnership with Neotel.

To further drive investment into our province, our Red Tape Reduction Unit continues to make it easier to do business here.

Our goal is to provide residents with a foothold into the economy, so that they are able to take advantage of new opportunities. This is why we have prioritised skills development, through our Apprenticeship Game Changer.

Energy is also an important enabler. To ensure we have an affordable and reliable energy supply, we have worked to increase the number of rooftop Photovoltaic (PV) installations to 9 500 in our municipalities.

While we are making progress, we are aware of the threats posed by the current drought. We need a reliable water supply to sustain economic growth. We are continuing to work with residents, and the private sector, to find solutions to the water shortage.

I would like to thank Solly Fourie, as well as his management team and staff for their hard work in creating opportunities for growth and jobs. Their dedication to the residents of the Western Cape is unwavering.

Message from the Head of the Department



Mr Solly Fourie

The year under review has once again provided the Department with the opportunity to establish itself as a leader in the creation of a conducive and growing economic environment.

Every one of the seven programmes has significantly contributed to meeting the expectations of businesses and economic stakeholders, through the creation of an enabling economic environment supporting growth and jobs. 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 were again successfully delivered.

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.

STRATEGIC OVERVIEW

Vision

A Western Cape that has a vibrant, innovative and sustainable economy, characterised by growth, employment and increasing equity, and built on the full potential of all.

Provincial Strategic Plan 2014-2019

This plan sets out the Western Cape Government's vision and strategic priorities together with an action plan to create conditions for economic growth, provide better education, and achieve better health, safety and social outcomes for our citizens. The Department of Economic Development and Tourism is the lead department for the Provincial Strategic Goal 1 (PSG 1): Create opportunities for growth and jobs.

2016/17 Highlights

- During 2016/17 the Department focused on the following priority areas:
 - Ease of Doing Business
 - Investment Promotion
 - The roll-out of the interventions in the three Project Khulisa priority sectors of Oil and Gas, Agri-processing and Tourism
 - Green Economy
 - Skills development
 - Broadband
 - Energy
- A focused delivery on the Energy Security and Apprenticeship Game Changers contributed towards making the region more competitive and responsive to the demands of investors.
- Access to the digital economy was expanded through Wi-Fi hotspots.
- Remarkable job growth was realised through Project Khulisa's growing of the Tourism, Agri-processing and Oil & Gas sectors.
- Investments of R2.12 billion were realised through the efforts of Wesgro.
- Several investors have shown interest in the Saldanha Bay Industrial Development Zone.
 - A supplier development and skills training programme was put in place to prepare local residents to benefit from investment.

Future plans of the Department

The Department is fully committed to fulfil its mandate to provide leadership for the continued establishment of an **enabling environment for economic growth** and expansion, leading to increased opportunities for prosperity for all citizens.

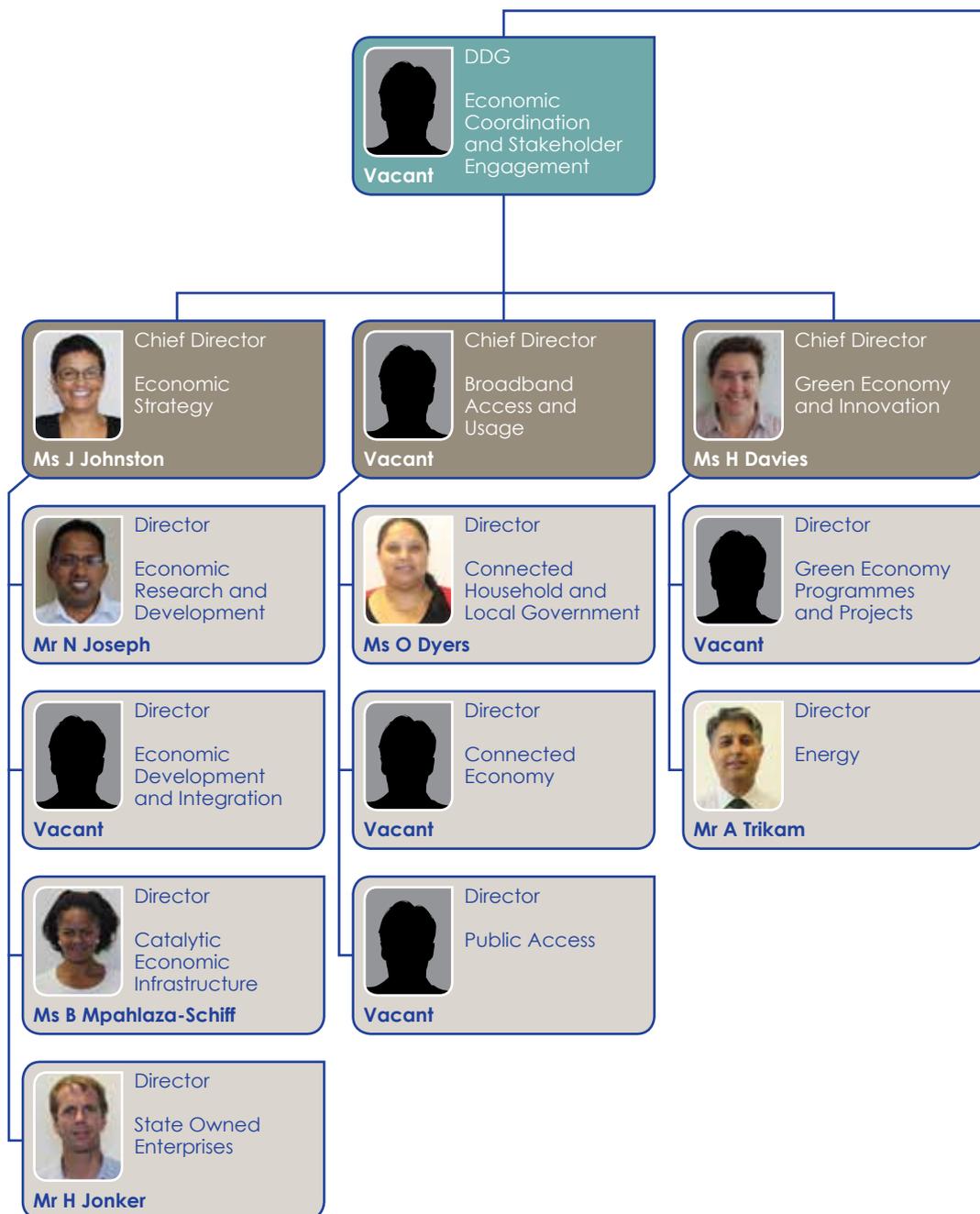
The focus will remain on the **Energy Security** and **Apprenticeship Game Changers** and the three sectors identified for **Project Khulisa**. In addition we are committed to support for the Alcohol Harms Reduction Game Changer.

The Department will also continue to provide interventions which seek to **reduce Red Tape** and support the Ease of Doing Business across the whole of the economy.

The decision to streamline delivery of the Wi-Fi Hotspots within the Department of the Premier, will enable the Department to focus on reducing market failure issues experienced in the **Digital Economy**. During the next financial year, greater emphasis will be placed on the delivery of opportunities in the Digital Economy and seeking to respond to the challenges experienced through Digital Disruption.

There is also a necessity to focus on the challenges presented by the rising **Youth Unemployment** levels and the needs of the **Informal Economy**. Together with a revision of our approaches to support **Municipal Economic growth**, the aforementioned areas will also receive attention during the next financial year.

ORGANOGRAM





Minister
Economic Opportunities
Mr A Winde



HOD
Economic Development and Tourism
Mr S Fourie



DDG
Economic Operations
Vacant



Chief Director
Financial Management
Ms M Abrahams



Director
Strategic and Operational Support
Ms C Julies



Chief Director
Economic Enablement
Mr J Peters



Chief Director
Economic Sector Support
Ms L Schuurman



Chief Director
Skills Development
Mr A Phillips



Director
Business Regulation
Mr A Searle



Director
Enterprise Development
Mr J Wolmarans



Director
Agri-processing Sector
Mr G Dinga



Director
Skills Incentives
Ms R Loghdey



Director
Red Tape Reduction
Mr R Windvogel



Director
Oil, Gas and Maritime
Vacant



Director
Skills Programmes
Vacant



Director
Municipal Economic Support
Ms F Dharsey



Director
Service and ICT Sector
Vacant



Director
Provincial Skills and Partnership
Ms E Walters



Director
Tourism
Ms N Ntenetya



Director
Manufacturing
Vacant



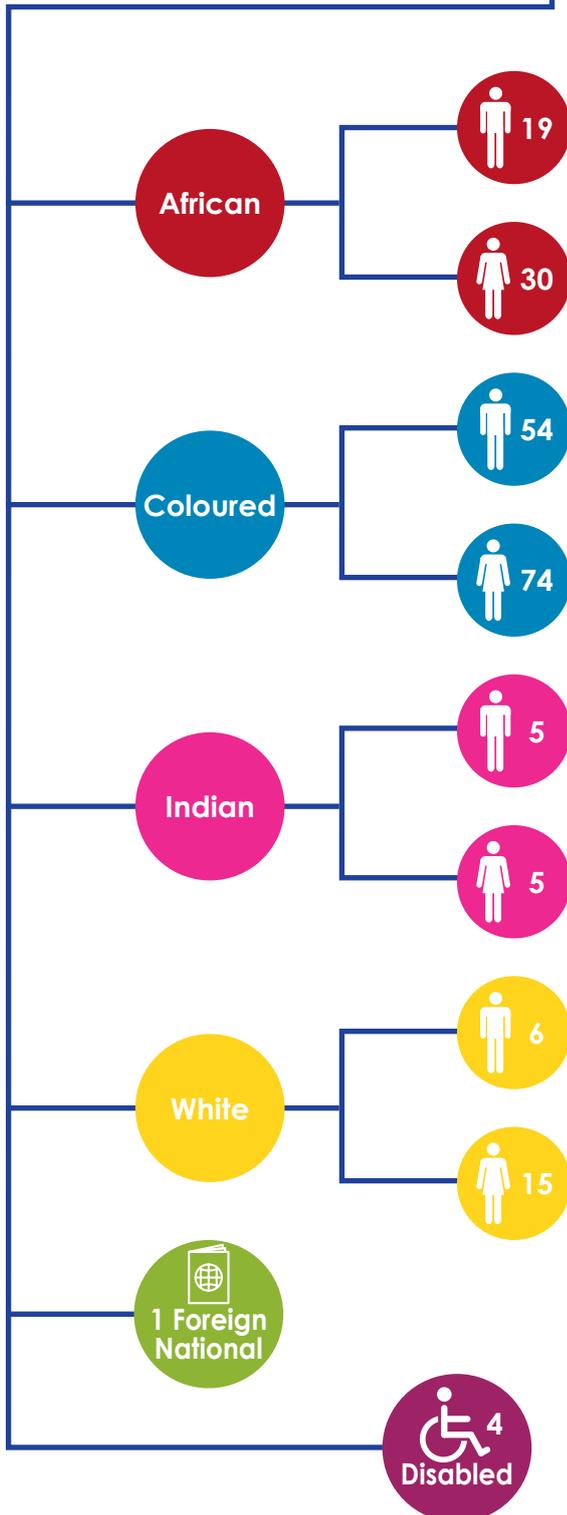
OUR STAFF



219
Number of active posts



209
Number of posts filled



OUR BUDGET

In terms of financial expenditure, the Department has managed to expend 97.6% or R559.386 million of its adjusted appropriation in the 2016/17 financial year.

Expenditure per Programme:

Programme Name	2016/17	
	Final Appropriation	Actual Expenditure
	R'000	R'000
Administration	52 314	51 656
Integrated Economic Development Services	42 283	41 661
Trade and Sector Development	56 653	55 591
Business Regulation & Governance	10 911	10 479
Economic Planning	298 347	296 135
Tourism, Arts & Entertainment	49 956	49 342
Skills Development & Innovation	62 802	54 522
Total	573 266	559 386



ADMINISTRATION

PURPOSE

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

HIGHLIGHTS

- The Financial Management team is dedicated to the continuous strife for higher financial levels of governance. Through its diligent and consultative efforts with Programmes it has achieved an Unqualified Audit Report for the third consecutive year.
- Various strategies and related processes were integrated to enhance Financial Management's support service, of which the following were the main strategies:
 - Promoting excellent client services;
 - Ensuring a legislative and policy framework in which efficient and effective processes may be implemented;
 - Ensuring the Department is suitably capacitated to meet its financial and governance standards.
- Departmental Communications played a central role in facilitating relationships and ensuring that communication campaigns were properly briefed and implemented.
- Knowledge Management introduced the Enterprise Content Management system for documents and the Departmental File Plan has been implemented on the electronic system. The unit presented Learning Networks that provided the opportunity for a shared understanding of relevant issues of the current environment.
- The Departmental Performance monitoring unit coordinated the quarterly performance information process, conducted the validation of performance to ensure data integrity and compiled quarterly reports, aligned to regulations. The unit developed an outcomes monitoring report based on the results of a client satisfaction survey on the Department's tourist guide registration service.



ACHIEVEMENTS

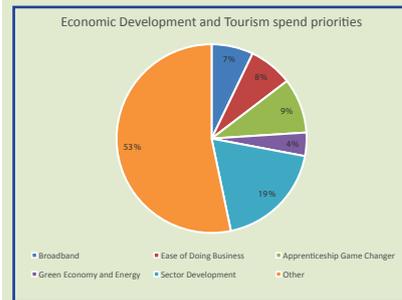
Financial Management

Some of the performance – driven achievements include:

 Average of **17.26** days turnaround time for the payment of good and services to beneficiaries where the legislative requirement is 30 days.

 **98%** expenditure spend against its appropriate budget

 **1** Unqualified audit opinion with no misstatements.



A diagrammatic representation as to how the Department expended its allocation

Corporate Services

 **1** Departmental events calendar developed

 **14** official documents translated

 **21** communications interventions implemented

1 monitoring report



* Maximum MPAT score (level 4) for Monitoring performance attained

Knowledge Management

 Enterprise Content Management System implemented and **93%** content of all programmes data stored

 **4** learning networks facilitated

INTEGRATED ECONOMIC DEVELOPMENT SERVICES

PURPOSE

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

HIGHLIGHTS

Programme 2 continued to impact on the development and growth of entrepreneurship and SMMEs in the province. In the words of Mike Herrington, Executive Director for GEM Global, "We believe that the work done by DEDAT and the Western Cape government has significantly enhanced the level of entrepreneurial activity in the province as compared to other provinces in South Africa. Their many initiatives are making a difference which should be followed by other provincial governments".

Our programmes have ranged from supporting emerging SMMEs through basic business skills capacitation to established SMMEs in the oil and gas and agri-processing sectors with extensive and in-depth hands-on assistance. The in-house developed Investment Readiness programme has proved its worth by enabling businesses to access more than R12 million in loan financing with R10 million still in the pipeline. The annual Premier's Entrepreneurship Recognition Awards (PERA) attracted a record of 333 entries and remains one of the premier entrepreneurship recognition events in the province.

We continued to make it easier to business across the province by resolving 93% of the 1 519 cases referred for investigation. Our work across eight municipalities in improving services such as building plan approvals and events and film permitting applications is set to bear fruit within the next 2 years. On provincial level our efforts were rewarded with, inter alia, the adoption by provincial Cabinet of the regulatory impact assessment policy and improvements in the abnormal loads and tourism signage application processes.

The cumulative impact of our drive to making it easier to do business now stands at almost R590 million in savings and benefits to the economy.



ACHIEVEMENTS

Enterprise Development

Cape Town CBD trading premises provided for **10** micro businesses

50 small businesses expanded

Supported SMEs to access more than **R12m** of loan financing

19 agri-processing businesses showed turnover growth after our assistance



More than **1 000** SMMEs attended our Funding Fair



Directly assisted more than **100** businesses to access finance

Trained more than **1 000** emerging SMMEs marketing and finance

454 new suppliers registered on the procurement database



Regional and Local Economic Development

79 improvements to local government business processes proposed & developed



Piloted the **1st** complete online application processing of building plans



Successfully completed a partnership project with West Coast municipalities around the roll-out of a web-based portal that allows clients to lodge building plan applications online and allow for applications to be tracked through its progress



Red Tape Reduction

1 519 cases regarding red tape, attended to



11 commentaries on national legislation submitted

Resolved **93** of cases investigated



10 improvements to provincial and national government business processes, developed and proposed



R587.9m Value of savings and benefits to the economy

TRADE AND SECTOR DEVELOPMENT

PURPOSE

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

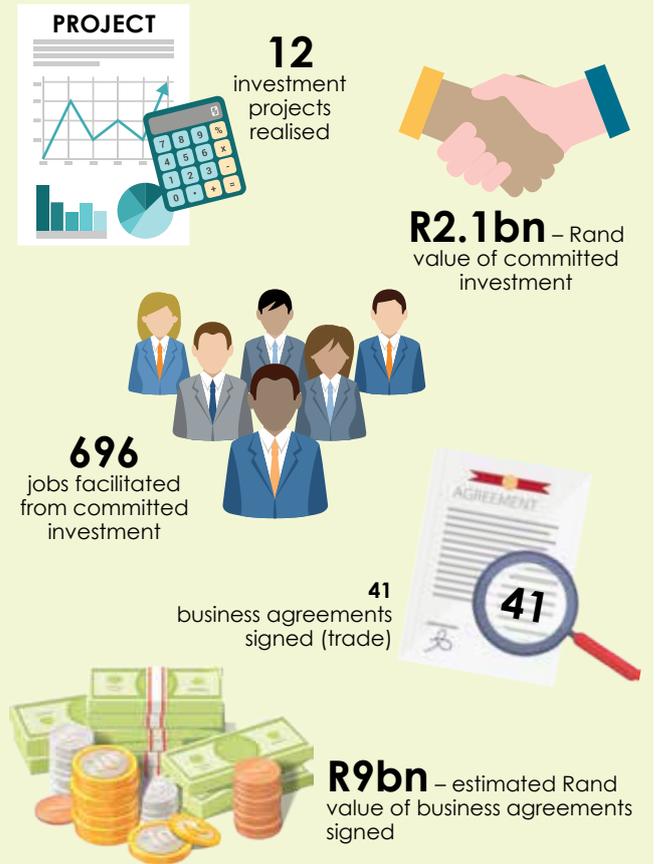
HIGHLIGHTS

- Action plans were implemented to achieve the Project Khulisa identified deliverables aimed at faster economic growth and increased job creating opportunities in the Oil and Gas; Agri-processing; and Tourism sectors.
- Wesgro has made significant strides in achieving the objectives and stimulate trade and investment within the identified Project Khulisa sectors.
- Khulisa Oil and Gas focused on the following:
 - The development of suitable infrastructure to grow the industry and to attract foreign investment at the Saldanha Industrial Development Zone (IDZ).
 - Skills development to address the lack of local skills for the Oil and Gas industry.
 - The development of a portal to assist with matchmaking opportunities between buyers and suppliers, and capacitating SMMEs.
 - The Ease of Doing Business lever addressed red tape challenges as they occurred.
- Khulisa Agri-processing focused on the following:
 - Strategic workshops were facilitated to assist companies to maximise participation throughout the agri-processing value chain.
 - The wine export promotion to Angola and China project was implemented in partnership with Department of Agriculture, Wesgro and WOSA.
 - The promotion of Western Cape Halal products was facilitated by Wesgro.
- Khulisa Tourism – please see page 15 (Tourism, Arts and Entertainment)
- Additional to the Project Khulisa sectors, the following sectors were supported:
 - Business Process Outsourcing
 - Information Communication Technology (ICT)
 - Manufacturing
 - Clothing and Textiles, including CLOTEX and the Cape Town Fashion Council
 - Craft, including the Cape Craft and Design Institute (CCDI)
 - Metals, Engineering and Related Industries, including the Western Cape Tooling Initiative

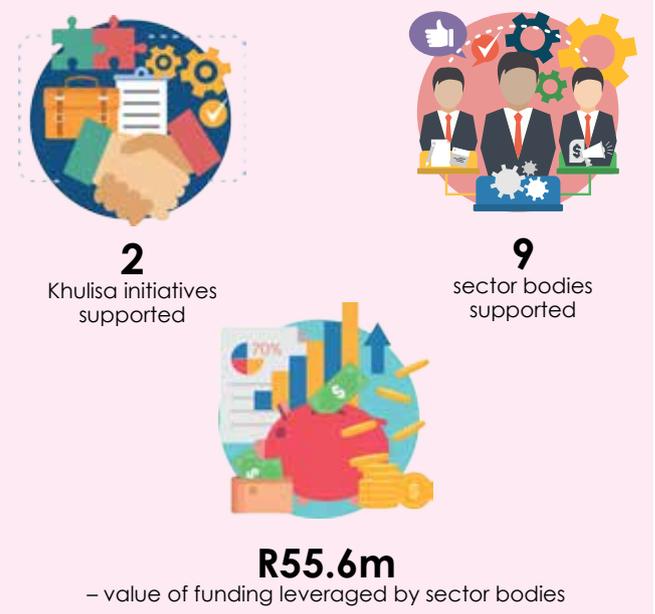
ACHIEVEMENTS

Trade and Investment Promotion

Wesgro has sought to stimulate trade and investment within the identified Project Khulisa sectors. Project Khulisa Oil and Gas focused on the development of suitable infrastructure to grow the industry and to attract foreign investment at the Saldanha Industrial Development Zone.



Sector Development



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.

HIGHLIGHTS

- This Programme executed regulatory mandates that are imposed by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) as well as the provisions of provincial and national legislation, such as the Consumer Protection Act, 2008 (Act 68 of 2008) and the Western Cape Consumer Affairs (Unfair Business Practices) Act, 2002 (Act 10 of 2002).
- The Office of the Consumer Protector fulfilled its role as Alternative Dispute Resolution Agency in the arena of consumer protection and contributed towards creating an empowered citizenry.
- The Consumer Education and Awareness unit developed and maintained key partnerships with strategic stakeholders and provided information/guidance on consumer protection matters and to enhance the level of awareness on consumer protection rights and financial literacy.
- A performance indicator was set that 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 Programme established effective relationships with other government departments, such as Department of Transport and Public Works and the Department of Local Government and presented interventions aimed at empowering citizens.
- The Programme also performed its support role as far as the evaluation of appeals submitted in terms of the Business Act, 1993, is concerned.



ACHIEVEMENTS



ECONOMIC PLANNING

PURPOSE

To provide support to the leadership of the Department in planning processes around which policies and strategies are developed, enhanced or applied to attain their attended objectives.

HIGHLIGHTS

In order to support the outcome of PSG 1, policies and strategies are considered and reviewed. Economic Policy and Planning produced a study on collaborative streamlined approaches for Cycling.

Research and Development produced research reports ranging from the potential for carbon neutral manufacturing to opportunities that exist within FinTech. This was published through 4 Quarterly Economic Bulletins. Furthermore, the Unit established the Economic Research Co-ordination Forum (ERFC) to better co-ordinate and streamline government economic research.

The Western Cape Economic Development Partnership facilitated strategic inter-governmental, societal and business partnerships to improve the Western Cape's economic development system.

Enabling Growth and Infrastructure Initiatives focused on project development and support to infrastructure-orientated or catalytic interventions within the economy. The unit supported 7 infrastructure projects (such as the Saldanha Bay IDZ and the Cape Town International Convention Centre Expansion), and led PSG 1's 'Nurturing Innovation' initiative. The WCG Innovation Framework was developed, including the Innovation Baseline study to determine WCG's state of Innovation and 45 design companies incubated at CCDI's Design Hub.

Broadband for the Economy undertook 9 projects that sought to improve broadband access, broadband skills and broadband usage of citizens and businesses within the Province. Achievements include:

- 521 persons trained in DEDAT supported digital courses and 408 persons completing short courses at the ICAN Elsie's River
- 976 entrepreneurs supported at the Khayelitsha Bandwith Barn
- Sector Digital Disruption Impact Assessment on prevalent Western Cape sectors

The Green Economy drives its 10 projects in line with the Western Cape Green Economy Strategic Framework's vision of being a leading green economic hub and low carbon economic growth. The Department supports the Energy Security Game Changer's interventions, such as increasing the uptake of rooftop PV. Achievements include the establishment of a clear regulatory and tariff framework for legal SSEG connections.

ACHIEVEMENTS

Economic Policy and Planning

2
economic
strategies/policies
signed off



3
strategies/
policies reviewed/
supported

Research and Development

16
economic
research reports
developed



1
centralised
economic
repository
maintained

Knowledge Management



10
joint plans/projects
between the Economic
Development Partnership and partners

8
partnerships
tested by PIA



Enabling Growth Infrastructure and Initiatives

4
design/innovation
projects supported



50
new/expanded flights into
Cape Town successfully
negotiated

Broadband for the Economy

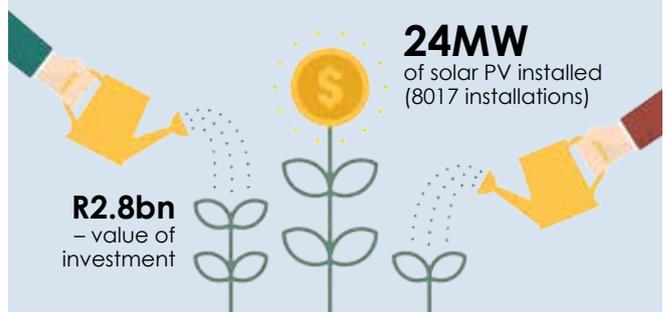
128
hotspots installed and
operational at WCG
sites



202 934
persons trained in
mobile digital literacy

Green Economy

R2.8bn
– value of
investment



24MW
of solar PV installed
(8017 installations)

TOURISM, ARTS AND ENTERTAINMENT

PURPOSE

To facilitate the implementation of an integrated tourism strategy that will lead to sustained and increased growth and job creation in the tourism industry.

HIGHLIGHTS

- Implementation of the Project Khulisa Tourism Plan commenced in the 2016/17 financial year aiming at growing the tourism sector and direct jobs.
- The Tourism Planning unit organised engagements with municipalities and their local tourism stakeholders in an effort to accelerate growth and job creation and to unblock any challenges.
- The Tourism Growth and Development unit supported the following initiatives:
 - Developing the cycle tourism market with a focus on the development of the Cross Cape Cycle Route.
 - Developing the Madiba legacy project, one of the Khulisa Tourism initiatives, focusing on Madiba's journey and enabling tourists to follow his footsteps in the Western Cape.
 - Implementing the Journey to Service Excellence Programme in Clanwilliam, aiming at creating a culture of service excellence within the tourism value chain.
 - Implementing a CATHSSETA customer service training programme.
 - Supporting tourists in distress, pro-actively and reactively.
- The Tourism Sector Transformation unit provided up-skilling programmes to tourist guides in the Province, including the following:
 - Up-skilling culture site guides in Pniel and Swellendam.
 - Assisting tourist guides with Recognition of Prior Learning.
 - Presenting information sessions to equip tourist guides with the necessary knowledge to deliver a professional service.
- The Tourism Destination Marketing programme ensured that priority focus was given to the initiatives identified by Project Khulisa Tourism. Wesgro entered into partnerships with various industry players to create awareness of the region and to encourage geographic spread.

ACHIEVEMENTS

Tourism Planning

1 stakeholder coordination strategy developed



Tourism Growth and Development



2 tourism niche markets supported



2 Service Level improvement programmes implemented



260 tourism establishments/individuals supported/assisted

Tourism Sector Transformation

124 tourist guides inspected



1 148 tourist guides registered

308 tourist guides developed

Tourism Destination Marketing

14 tourism destination marketing initiatives supported



R162m

– estimated economic value of tourism destination marketing initiatives supported



SKILLS DEVELOPMENT AND INNOVATION

PURPOSE

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

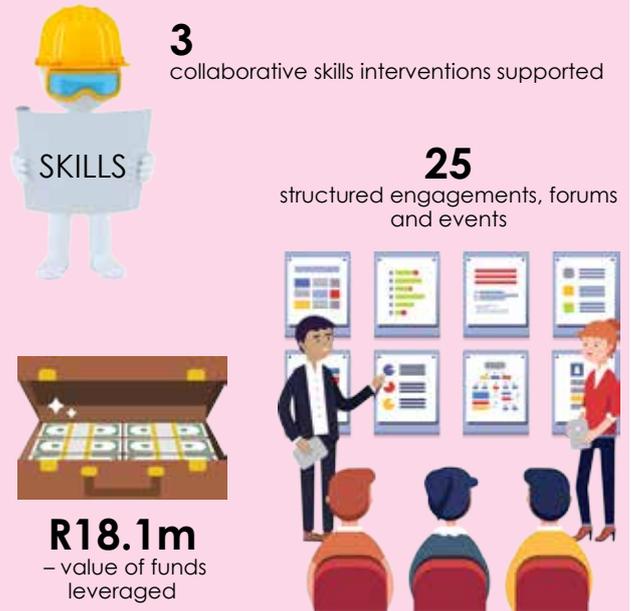
HIGHLIGHTS

- The Skills Development unit was responsible for driving the coordination, planning and delivery of skills development initiatives towards achieving the targets of the Apprenticeship Game Changer. The work included driving career awareness of the technical and vocational skills opportunities in the Western Cape and also coordination of the efforts of stakeholders towards achieving work placement for 'graduates' from skills initiatives.
- The unit established strategic stakeholder forums and supported collaborative skills interventions to identify the skills demand and to facilitate solutions.
- Funding and non-financial support were leveraged for skills development programmes across the three spheres of government and industry.
- The employability and work readiness of young people were improved by empowering them with 'softer' skills.
- The Programme facilitated the placement of unemployed youth with host companies across the Province's economic sectors and supported these placements with stipends.
- A number of placement opportunities were undertaken to increase the number of qualified artisans in the Western Cape and to enhance the quality of skills transfer in both TVET Colleges and the private sector.
- The Skills Incentives unit has been a key driver in leveraging partnerships through the TVETS for appropriately trained learners to match the demand of firms, as well as recruiting potential host companies to take on unemployed youth to assist in increasing employability through placement opportunities and increasing the offering of work readiness programmes.

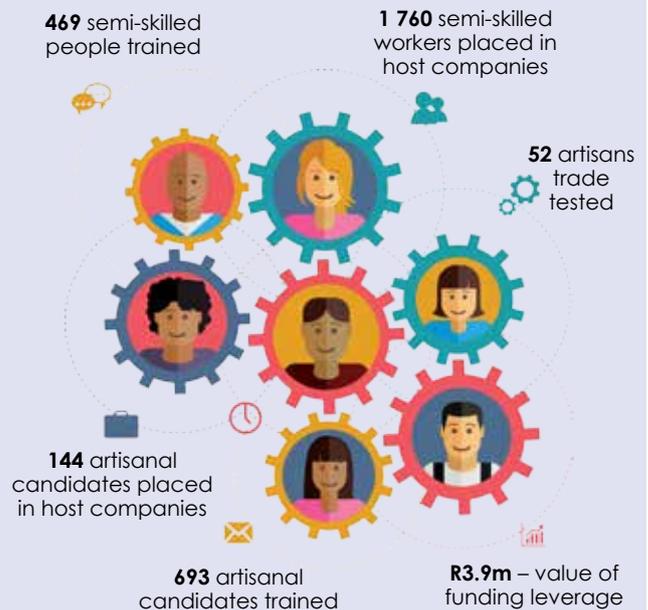


ACHIEVEMENTS

Provincial Skills and Partnership



Skills Programmes and Projects



Skills Incentives



REFERENCES



Please see the Department's Annual Report for detailed information on departmental achievements and financial statements.

The full Annual Report is available at:

<https://www.westerncape.gov.za/annual-publication/annual-report-2016-17>

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and Tourism