



Western Cape Government

Economic Development
and Tourism



Annual Report 2012/13
Economic Development and Tourism

Department of Economic

Development and Tourism

Vote 12

Annual Report

2012/13

SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

Mr Alan Winde

Minister of Finance, Economic Development and Tourism

I have the honour of submitting the Annual Report of the Department of Economic Development and Tourism for the period 1 April 2012 to 31 March 2013.



Solly Fourie

Accounting Officer

31 July 2013

CONTENTS

Part A: General Information	6
1. Department General Information	6
2. List of Abbreviations	7
3. Strategic Overview	12
3.1. Vision	12
3.2. Mission	12
3.3. Values	12
3.4. Strategic Outcome Orientated Goals	12
4. Legislative and Other Mandates	12
5. Organisational Structure	15
6. Entities Reporting to the Minister/MEC	16
7. Foreword by the Minister/MEC	17
8. Overview of the Accounting Officer	18
Part B: Performance Information	20
1. Statement of Responsibility for Performance Information	20
2. Auditor General's Report: Predetermined Objectives	21
3. Overview of Departmental Performance	21
3.1. Service Delivery Environment	21
3.2. Service Delivery Improvement Plan	22
3.3. Organisational Environment	28
3.4. Key Policy Developments and Legislative Changes	28
4. Strategic Outcome Oriented Goals	29
5. Performance Information by Programme	34
5.1. Programme 1: Administration	34
5.2. Programme 2: Integrated Economic Development Services	40
5.3. Programme 3: Trade and Sector Development	51
5.4. Programme 4: Business Regulation and Governance	64
5.5. Programme 5: Economic Planning	74
5.6. Programme 6: Tourism, Arts and Entertainment	82
5.7. Programme 7: Skills Development and Innovation	96
6. Summary of Financial Information	104
6.1. Departmental Receipts	104
6.2. Programme Expenditure	105
6.3. Transfer Payments, excluding Public Entities	106
6.4. Public Entities	113
6.5. Conditional Grants and Earmarked Funds Received	113
6.6. Donor Funds	113
6.7. Capital Investment, Maintenance and Asset Management Plan	113

Part C: Governance	115
1. Introduction	115
2. Risk Management	115
3. Fraud and Corruption	115
4. Minimising Conflict of Interest	116
5. Code of Conduct	116
6. Health Safety and Environmental Issues	116
7. Internal Control Unit	116
8. Audit Committee Report	117
Part D: Human Resource Management	120
1. Legislation that Govern HR Management	120
2. Introduction	121
3. Human Resource Oversight Statistics	123
3.1. Personnel Related Expenditure	123
3.2. Employment and Vacancies	126
3.3. Job Evaluation	127
3.4. Employment Changes	128
3.5. Employment Equity	130
3.6. Signing of Performance Agreements By SMS Members	137
3.7. Filling of SMS Posts	137
3.8. Performance Rewards	139
3.9. Foreign Workers	141
3.10. Leave Utilisation for the period 1 January 2012 to 31 December 2012	142
3.11. HIV and AIDS and Health Promotion Programmes	145
3.12. Labour Relations	150
3.13. Skills Development	152
3.14. Injury on Duty	154
3.15. Utilisation of Consultants	154
Part E: Financial Information	157
Report of the Accounting Officer	157
Accounting Officer's Statement of Responsibility	167
Report of the Auditor-General	168
Appropriation Statement	174
Programme 1: Administration	174
Programme 2: Integrated Economic Development Services	176
Programme 3: Trade and Sector Development.....	178
Programme 4: Business Regulation and Governance.....	180
Programme 5: Economic Planning.....	181
Programme 6: Tourism, Arts and Entertainment.....	183
Programme 7: Skills Development and Innovation.....	185

Notes to the Appropriation Statement	187
Statement of Financial Performance	189
Statement of Financial Position	190
Statement of Changes in Net Assets	191
Cash Flow Statement	192
Accounting Policies	193
Notes to the Annual Financial Statements	200
Disclosures Notes to the Annual Financial Statements	209
Annexures to the Financial Statements	217
Annexure 1A: Statement of Unconditional Grants and Transfers to Municipalities.....	217
Annexure 1B: Statement of Transfers to Departmental Agencies and Accounts.....	217
Annexure 1C: Statement of Transfers to Universities and Technikons.....	218
Annexure 1D: Statement of Transfers to Public Corporations and Private Enterprises.....	218
Annexure 1E: Statement of Transfers to Non-profit Institutions.....	219
Annexure 1F: Statement of Transfers to Households.....	221
Annexure 2: Statement of Contingent Liabilities.....	221
Annexure 3: Claims Recoverable.....	222
Annexure 4: Inter-Government Payables.....	222
Annexure 5: Inventory.....	222

PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS

AA	Affirmative Action
ADEP	Aquaculture Development Enhancement Programme
ADZ	Aquaculture Development Zone
AGSA	Auditor-General of South Africa
AO	Accounting Officer
AOPI	Auditing of Performance Information
APP	Annual Performance Plan
BAS	Basic Accounting System
BBBEE	Broad-based Black Economic Empowerment
BEE	Black Economic Empowerment
BER	Bureau for Economic Research
BI	Business Intelligence
BPeSA	Business Process enabling South Africa
BPIW	Business Performance Improvement Workshops
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
CCDI	Cape Craft and Design Institute
CCTC	Cape Clothing and Textile Cluster
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CGCSA	Consumer Goods Council of South Africa
CIS	Co-operative Incentive Scheme
CITI	Cape Information and Technology Initiative
CLOTEX	Cape Clothing and Textile Service Centre
CMT	Cut, Make and Trim
COGTA	Co-operative Governance and Traditional Affairs
CPA	Consumer Protection Act
CPUT	Cape Peninsula University of Technology
CRDP	Comprehensive Rural Development Programme
CSC	Corporate Services Centre
CSIR	Council for Scientific and Industrial Research
CTCP	Clothing and Textiles Competitiveness Programme
CTFC	Cape Town Fashion Council
CTICC	Cape Town International Convention Centre
CTRU	Cape Town Routes Unlimited
DBSA	Development Bank of Southern Africa

LIST OF ABBREVIATIONS

DEDAT	Department of Economic Development and Tourism
DM	District Municipality
DMO	Destination Marketing Organisation
DPSA	Department of Public Service and Administration
DST	Department of Science and Technology
DTI	Department of Trade and Industry
EDP	Economic Development Partnership
EE	Employment Equity
EHWP	Employee Health and Wellness Programme
EPI	Economic Performance Index
EPWP	Extended Public Works Programme
ERLN	Economies of Regional Learning Network
ERM	Enterprise Risk Management
EW SETA	Energy and Water Sector Education and Training Authority
EU	European Union
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FEDHASA	Federated Hospitality Association of South Africa
FET	Further Education and Training
FP&M SETA	Fibre Processing and Manufacturing Sector Education and Training Authority
GDP	Gross Domestic Product
GDPR	Gross Domestic Product per Region
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HCT	HIV Counselling and Testing
HEI	Higher Education Institution
HOD	Head of Department
HRD	Human Resource Development
ICAS	Independent Counselling and Advisory Service
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IDP	Industrial Development Plan
IDZ	Industrial Development Zone
IEDS	Integrated Economic Development Services
IPAP	Industrial Policy Action Plan
ISO	International Organization for Standardization

LIST OF ABBREVIATIONS

IT	Information Technology
ITDF	Integrated Tourism Development Framework
IYM	In-Year Monitoring
LED	Local Economic Development
LRA	Labour Relations Act
MAPPP-SETA	Media, Advertising, Publishing, Printing, and Packaging Sector Education Training Authority
M&E	Monitoring and Evaluation
MEC	Member of Executive Council
MEDS	Micro-Economic Development Strategy
MERSETA	Manufacturing, Engineering and Related Services Sector Education and Training Authority
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPAT	Management Performance Assessment Tool
MQA	Mining Qualifications Authority
MTEF	Medium Term Expenditure Framework
NDP	National Development Plan
NDT	National Department of Tourism
NEF	National Empowerment Fund
NFVF	National Film and Video Foundation
NGO	Non-Governmental Organisation
NIMS	National Integrated Manufacturing Strategy
NOA	National Outsourcing Association
NPO	Non-profit Organisation
NSDS	National Skills Development Strategy
NT	National Treasury
NTIP	National Tooling Initiative Programme
NTSS	National Tourism Sector Strategy
OCP	Office of the Consumer Protector
OD	Organisational Design
OEM	Original Equipment Manufacturer
PANSA	Performing Arts Network of SA
PACA	Participatory Appraisal of Competitive Advantage
PCLT	Port Cluster Leadership Team
PFMA	Public Finance Management Act

LIST OF ABBREVIATIONS

PGF	Provincial Growth Fund
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PIP	Productivity Improvement Programme
PPPFA	Preferential Procurement Policy Framework Act
PSCBC	Public Service Commission Bargaining Chamber
PSDF	Provincial Skills Development Forum
PSO	Provincial Strategic Objective
PT	Provincial Treasury
RBI	Resource Beneficiation Industries
RE	Renewable Energy
REBID	Renewable Energy Bid
RFP	Request for Proposals
RLED	Rural and Local Economic Development
RTLK	Regional Tourism Liaison Committee
RIF	Regional Innovation Forum
SAHTA	South African Honeybush Tea Association
SAQA	South African Qualifications Authority
SALGA	South African Local Government Association
SANParks	South African National Parks
SAOGA	South African Oil and Gas Alliance
SAPS	South African Police Service
SARETC	South African Renewable Energy Training Centre
SARS	South African Revenue Service
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SDA	Service Delivery Agreement
SEDA	Small Enterprise Development 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
SOC	State-Owned Company
SPV	Special Purpose Vehicle
STATSSA	Statistics South Africa
SWH	Solar water heater

LIST OF ABBREVIATIONS

TAU	Technical Assistance Unit
TEP	Tourism Enterprise Partnership
TGCSA	Tourism Grading Council of South Africa
TNPA	Transnet National Ports Authority
TR	Treasury Regulations
TSD	Trade and Sector Development
TFDS	Total Foreign Direct Spend
UCT	University of Cape Town
UK	United Kingdom
UNWTO	United Nations World Tourism Organisation
USB	University of Stellenbosch Business School
VANSA	Visual Arts Network of SA
WCADI	Western Cape Aquaculture Initiative
WCCAT	Western Cape Consumer Affairs Tribunal
WCFI	Western Cape Furniture Initiative
WCG	Western Cape Government
WCLA	Western Cape Liquor Authority
WCSD	Western Cape Supplier Database
WCTDF	Western Cape Tourism Development Framework
WCTI	Western Cape Tooling Initiative
Wesgro	Western Cape Investment and Trade Promotion Agency

3. STRATEGIC OVERVIEW

3.1 Vision

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

3.2 Mission

To achieve the vision statement as noted above, the Department of Economic Development and Tourism will provide leadership to the Western Cape economy through the Department's understanding of the economy, its ability to identify economic opportunities and potential, and its contribution to government economic priorities.

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

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

3.3 Values

The core values the Department espouses are:

- Competence
- Accountability
- Integrity
- Responsiveness
- Care

3.4 Strategic outcome orientated goals

The goal set by the Department during the period under review, is the creation of opportunities for businesses and citizens to grow the economy and employment.

The necessary conditions to achieve this have been translated into five objective statements:

- Objective 1: To develop and implement the economic strategic plan and policies in support of achieving opportunities for jobs and growth.
- Objective 2: To create an enabling environment (minimal hurdles, sustainable business growth, investment and job creation) through improvement in the regional business confidence index and growth in the employment rate.
- Objective 3: To facilitate demand-led, private sector driven government support for growth sectors, industries and business by increasing the value of exports.
- Objective 4: To improve the competitiveness of the region through infrastructure-led economic growth.
- Objective 5: To facilitate through EPWP 204 770 "100-day work opportunities" and 111 859 "full-time equivalents" between 2009 and 2014.

4. LEGISLATIVE AND OTHER MANDATES

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

This Act seeks 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)

This Law establishes the Western Cape Investment and Trade Promotion Agency (Wesgro) to promote and support the economic growth and development of the province.

Liquor Act, 2003 (Act 59 of 2003)

The Liquor Act came into effect on 13 August 2004 and replaced the Liquor Act, 1989 (Act 27 of 1989) for national functions while retaining it as transitional measure for provincial functions. It introduced a three-tier system into the liquor industry and regulates the manufacturing and distribution tier. It provides for the devolution of functions relating to the retail (and micro-manufacturing) tier to the Provincial Minister and requires the provincial liquor authority to provide it with statistical information relating to the retail and micro-manufacturing tier.

Western Cape Liquor Act, 2008 (Act 4 of 2008), as amended by the Western Cape Liquor Amendment Act, 2010 (Act 4 of 2010)

The principal Act provides for the licensing for the retail sale and the micro-manufacture of liquor in the province, whilst the Amendment Act provides for a Governing Board and a Liquor Licensing Tribunal; removes the possibility of a special event liquor licence being granted to a school; regulates anew the lodgement of certain applications and reports; and clarifies 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)

The Act establishes a framework for the promotion of Black Economic Empowerment; empowers the Minister to issue codes of good practice, to publish transformation charters; establishes the Black Economic Empowerment Advisory Council; and provides for matters connected therewith.

National Small Business Act, 1996 (Act 102 of 1996), as amended by the National Small Business Amendment Act, 2004 (Act 29 of 2004)

The principal Act provided for the establishment of the National Small Business Council and the Ntsika Enterprise Promotion Agency, and provided guidelines for organs of state to promote small business in the Republic. The Amendment Act amended the principal Act to repeal all provisions pertaining to the Ntsika Enterprise Promotion Agency (Ntsika); provides for the establishment of the Small Enterprise Development Agency (SEDA) and makes provision for the incorporation of Ntsika, Namac and any other designated institution into the agency.

Municipal Systems Act, 2000 (Act 32 of 2000)

The Act provides 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)

The Consumer Affairs Act provides for the prohibition and control of unfair business practices and establishes an Office of the Consumer Protector and Consumer Affairs Tribunals.

The National Integrated Manufacturing Strategy (NIMS)

The NIMS is a technologically advanced national approach implemented through the Department of Trade and Industry and 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.

Western Cape Tourism Development Framework (WCTD Framework)

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

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

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

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

Tourism Act, 1993 (Act 72 of 1993), as amended by the Tourism Second Amendment Act, 2000 (Act 70 of 2000)

The Tourism Act made provision for the promotion of tourism to and in the Republic; the further regulation and rationalisation of the tourism industry; measures aimed at the maintenance and enhancement of the standards of facilities and services hired out or made available to tourists; and the coordination and rationalisation of the activities of persons who are active in the tourism industry. The Tourism Second Amendment Act amended the principal Act by inserting certain definitions; providing for the training and registration of tourist guides; making provision for a code of conduct and ethics for tourist guides; regulating the procedure for lodging complaints; making provision for the endorsement of certain registers in appropriate cases; providing for disciplinary measures, appeals and reviews, and criminalising certain conduct.

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

The Act provides for the establishment of the Destination Marketing Organisation (DMO) and the promotion of tourism and the related economic development of the Western Cape.

White Paper on Sustainable Tourism Development and Promotion (2001)

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

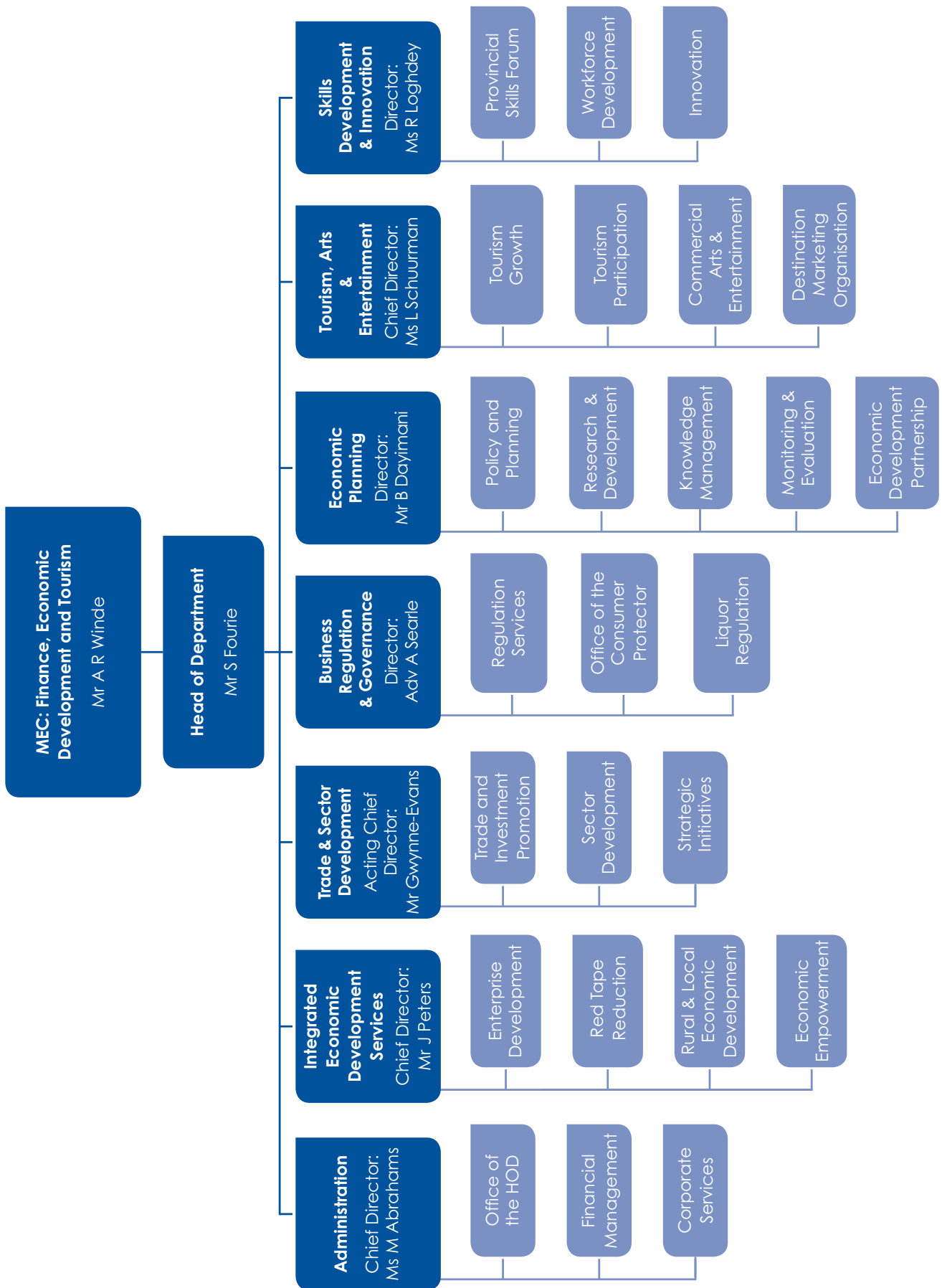
Co-operatives Act, 2005 (Act 14 of 2005)

The Act provides for the formation and registration of co-operatives, the establishment of a Co-operatives Advisory Board, the winding up of co-operatives and matters connected therewith.

Western Cape Procurement (Business Interests of Employees) Act, 2010 (Act of 2010)

The Act prohibits provincial government employees and their families from holding more than 5% shares, stock, membership or other interests in an entity that does business with the provincial government, unless approval is given by the relevant Minister, in accordance with certain criteria set out in the Bill; requires entities to disclose whether they are owned or part-owned by employees of the Western Cape government before a contract with the provincial government can be signed; and requires all provincial government employees to disclose their business interests at prescribed intervals.

5. ORGANISATIONAL STRUCTURE



6. ENTITIES REPORTING TO THE MINISTER/MEC

The table below indicates the entities that report to the Minister/MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Western Cape Investment and Trade Promotion Agency (Wesgro)	Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)	<p>The entity is a recipient of transfer payments from the Department on a quarterly basis. The City of Cape Town is a part funder in the operations of the entity as well.</p> <p>Evaluation of the entity is conducted through:</p> <ul style="list-style-type: none"> a) Representation of the board as an ex-officio member b) Performance reports are received on a quarterly basis c) Funding is transferred in tranches based on evaluation of quarterly reports. 	Wesgro is the official Destination Marketing, Investment and Trade Promotion Agency for the Western Cape, located in Cape Town.
Western Cape Liquor Authority	Western Cape Liquor Act, 2008 (Act 4 of 2008)	<p>The entity is a recipient of transfer payments from the Department on a quarterly basis.</p> <p>Evaluation of the entity is conducted through:</p> <ul style="list-style-type: none"> a) Representation of the board as an ex-officio member b) Performance reports are received on a quarterly basis <p>Funding is transferred in tranches based on evaluation of quarterly reports.</p>	The Western Cape Liquor Authority (WCLA) 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.
Destination Marketing Organisation (Now incorporated into Wesgro)	Western Cape Tourism Act, 2004 (Act 1 of 2004) Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)	<p>The entity is a recipient of transfer payments from the Department on a quarterly basis. The City of Cape Town is a part funder in the operations of the entity as well.</p> <p>Evaluation of the entity is conducted through:</p> <ul style="list-style-type: none"> a) Representation of the board as an ex-officio member b) Performance reports are received on a quarterly basis c) Funding is transferred in tranches based on evaluation of quarterly reports. 	<p>To market the Western Cape as a tourist destination of choice both nationally and globally.</p> <p>Note: The DMO's activities have now been incorporated into Wesgro and going forward Wesgro is responsible for the destination marketing function of the Province.</p>

7. FOREWORD BY THE MINISTER

I am honoured to present the Department of Economic Development and Tourism's Annual Report for 2012/13.

During the year under review, this Department went above and beyond to deliver on the first strategic objective of the Western Cape Government: stimulating growth and creating jobs so that the people of this province can live better lives. Doing so required of each and every staff member to embrace the belief of this administration that our role is not to give small-scale assistance, but rather to create a world-class environment for business... to 'think big'.

While the work of each programme contributed to furthering the above goal, I would like to highlight a few initiatives that speak directly to the above belief, and to the innovative spirit that is prevalent within the work of this Department.

In 2012/13, the Red Tape to Red Carpet Programme – our initiative to make it easier and cheaper to do business in the Western Cape – really found its feet. The Red Tape Call Centre fielded 752 calls, with a resolution rate of 93.62%. This team intervened in seemingly impossible situations in our and other spheres of government to ensure that businesses received the help they needed so that they could do what they do best: grow our economy and create jobs.

The Work and Skills Programme – our programme that facilitates paid, at-work internships for out-of-work matriculants – gained national recognition for its achievements in assisting the young people of our province to find employment. In the year under review, 763 young people were given the opportunity to become part of this programme and their lives were changed for the better, forever. I am proud to note that many of the participants were permanently employed following the internship period. These young people are now part of our economy.

I am also very proud of the work done thus far on our Strategic Initiatives. In 2012/13, we made significant progress toward the establishment of a Broadband Programme that will see the rollout of a wireless network to communities across the Western Cape. This network will connect our citizens to the globe, linking them with new business opportunities that will help them to grow. DEDAT, in collaboration with key stakeholders, is building a future that will be driven by innovation.

The above programmes are but a few of the very many that have resulted in this Department making a valuable contribution to the residents of the Western Cape. I would like to extend my sincere thanks to all the staff of DEDAT for their unwavering dedication in giving our residents the opportunity to live better lives.

I would like to issue a special thank you to the Head of Department, Mr Solly Fourie, for his leadership and strategic management of DEDAT. Under his direction, this Department has embraced PSO1, and in doing so, has flourished.



A handwritten signature in black ink, appearing to read 'Alan Winde', written in a cursive style.

Alan Winde

Minister of the Department of Economic Development and Tourism

31 July 2013

8. OVERVIEW OF THE ACCOUNTING OFFICER

TOP MANAGEMENT'S PERSPECTIVE OF THE DEPARTMENT

The Department's top management has endorsed the view that the role of the Department is to play an over-arching economic leadership role and to ensure the attainment of goals associated with Strategic Objective 1. This also means that the Department's role has become more facilitative to stimulate economic alignment by engaging all spheres of government and outside stakeholders in a meaningful way. This approach also ensures that there is mitigation against duplication of efforts across departments and government agencies.

The Department has therefore commenced a changing role: Instead of only being an intervener in the economic delivery system, it has taken on a greater advocacy and influencing role to ensure that demand-led private sector-driven economic initiatives are fully supported by the Western Cape Government.

It is the view of the top management of the Department that this role is over-arching and incorporates an inclusive and co-ordinating approach, whereby all relevant economic stakeholders' efforts are aligned to deliver against the compelling objectives of creating an environment for economic growth and jobs.

The Department has performed those roles admirably over the last year, as can be seen by the details illustrated later in this report. This has also been evidenced through the extensive role members of this Department have played in leveraging funding from other government sources, in order to boost the funding required to ensure that projects are completed as planned. Examples of these efforts include the R41 million raised from the Jobs Fund for the Work and Skills programme and the R105 million leveraged for the establishment of a renewable energy training centre.

The need for the Department to provide economic leadership across vertical and horizontal spheres of the economy and the increased role needed to ensure that an enabling environment is created for business to grow and expand, are the fundamentals that underscore the Department's approach to its functionality.

ACHIEVEMENTS FOR THE YEAR

The work done by the various programs are detailed later in the report, but some of the significant achievements were the leveraging of funding for skills development and training, significant work opportunities created in sectors and through the work done by the Enterprise Development Unit, the enormous amount of work done in shaping the foundations for the high cost Broadband project and the work done by the Red Tape Reduction Unit in ensuring that many issues which hinder business were unblocked.

We were once again very successful in attracting visitors to the region through our tourism initiatives and the establishment of the Liquor Authority will enable a more responsible approach to the liquor trade in the Province.

In addition, we saw the continued success of the Economic Development Partnership and the finalisation of the OneCape 2040 vision for the Province. This vision will shape a collective approach to economic growth and inclusion for all facets of the economy.

CHALLENGES FOR THE YEAR

The challenging 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. The 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.

In addition, the apparent mismatch of the skills supplied and those demanded by the economy is still prevalent. This is largely due to the sophistication of business demands, brought about by a greater dependence on and application of e-commerce and IT-based systems approach within business.

A more direct challenge for the Department is the ability to react to the changing strategic role, which calls for a greater facilitative and advocacy approach and to be able to respond to the demands that this role brings about. This change in approach has demanded that we produce an increased effort to have the appropriate level and number of human resource capabilities in place and to develop the right mindset to seek out projects and programmes that drive the attainment of the strategic goals.



Finally we had to grapple with the challenge of a delayed Organisation Design exercise so that the correct staffing is put in place in order to deliver on the plans and objectives needed for successful delivery.

FACTUAL INFORMATION ABOUT STRATEGIES, RESULTS AND CHALLENGES

The Department set out its projects, programmes and activities around six key strategic approaches. These related to the Department's assessment of the global, national and regional economic situational analysis and these key strategic approaches were underpinned by specific actions, which are detailed later in this report.

The six key strategic approaches were:

- Economic opportunities through integrated Government activities – Our role as “whole of government” co-ordinator. This is a new function and was primarily shaped by the mandate to be the lead Department for driving the outcomes contained in Strategic Objective 1.
- A demand-led infrastructure approach to economic development. Among the projects undertaken by the Department in support of this strategic approach, are the Broadband Initiative, Saldanha IDZ and the Port of Cape Town development.
- The establishment of a comprehensive set of programmes which improve and enable business and citizens to grow. Successful projects relating to this include the work done by the Office of the Consumer Protector, the establishment of the Liquor Authority and the impressive work done by the Red Tape Reduction unit.
- Skills training interventions included the Work and Skills project, Artisan Training and the research work done to narrow the gap between the demand and supply of skills for the economy.
- We continued to use the Sectors as a space for delivery of the Micro-Economic Delivery System. The successes within this strategic approach were varied, given the pressure which the manufacturing sector endured throughout the review period. This also contributed to the work done in Enterprise Development, in which we continued to be successful, again with collaborative support from institutions such as SEDA and business associations.
- A renewed and deliberate commitment to sound compliance and monitoring and evaluation programmes and projects. This work was primarily carried out by the Strategic Planning and Finance teams, contributing to a good compliance and corporate governance culture.

FUTURE PLANS AND ACTIONS OF THE DEPARTMENT

The Department will continue to play a leadership role in stimulating regional economic growth through the objectives contained in Strategic Objective 1. This objective has as its fundamental goals the following:

- The creation of opportunities for growth;
- The creation of opportunities for jobs;
- The creation of an enabling environment for business and citizens to grow; and
- The creation of a competitive and productive economic zone.

During the last financial year, the Department put into place the basic building blocks to ensure the role required to be played by the Department is both transversal and direct, making a meaningful difference to most aspects of the regional economy.

Despite the challenging global and national economic indicators, the Department is determined to provide a platform and environment that continues to enable businesses to grow and expand. This will in return enable the achievement of job opportunities being created by businesses which thrive in a stable and conducive economic climate.

The Department will place emphasis on the following key projects over the next year:

- Broadband rollout
- The green economy
- Value chain maximisation in the sectors we choose to support
- Firming up our role and commitment to red tape reduction and the establishment of an enabling environment
- Increasing our role in reducing the skills gap and equipping young people for greater preparedness for employment
- Development of the entrepreneurship culture so that many more new businesses can be established

Departmental projects and programmes must be linked to stimulate the creation of jobs, economic growth, creation of an enabling environment and making the region competitive.

PART B: PERFORMANCE INFORMATION

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the Department's performance information and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control, designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance information of the Department for the financial year ended 31 March 2013.



Solly Fourie

Accounting Officer

31 July 2013

2. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA 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 168 of the Report of the Auditor General, published under Part E: Financial Information.

3. OVERVIEW OF DEPARTMENTAL PERFORMANCE

3.1 Service Delivery Environment

The Department of Economic Development and Tourism is the lead department for Provincial Strategic Objective 1: "Creating opportunities for growth and jobs". The province has set for itself a target of 4,2% growth in GDP and 2% growth in employment. These goals were set against a backdrop of subdued growth in world output of 3,2% in 2012, down from 4% in 2011¹. South Africa's growth performance was more muted with GDP growth of 2,5% in 2012, following 3,5% in 2011².

The Western Cape economic performance is closely correlated with national performance and achieved a growth rate of 3,6% in 2011 and 2,5% in 2012³. The subdued global outlook continues to weigh on export growth to the Western Cape's traditional advanced economy trading partners. There is optimism that the crisis-induced recession in the Eurozone will be reversed, creating scope for normalisation of exports. However, evidence of improved export performance to Africa (which accounted for 20% of the province's total exports in 2011) suggests that the continent could become increasingly important as a hedge against poorly performing traditional export markets. Identification of export markets, however, depends on not only the performance of the destination market in terms of growing populations and economies, but crucially also on the products being sold and foreign demand for those products.

The labour market environment has similarly remained challenging. The number of unemployed has increased by 181 000 and the unemployment rate has increased from 16,9% in 4Q 2008 to 23,9% in 4Q 2012. Whilst all economic sectors recorded positive growth between 2000 and 2010, the ability of these sectors to create employment varied. Despite the agriculture and manufacturing sectors expanding output between 2000 and 2010, over the same period they shed jobs with agriculture losing 176 775 jobs, whilst the manufacturing sector lost 63 590 jobs. Growth in output alone therefore is no guarantee that labour market outcomes will improve. The fact that in the Western Cape output has grown, but with such poor labour absorption, highlights the structural nature of unemployment, which remains a key challenge for the Western Cape.

Specific impediments for DEDAT in the past financial year in achieving its goal of job creation, include the fact that employment prospects in the agricultural sector are further challenged by strikes in the sector, which reportedly cost farmers R300 million since November 2012⁴ and avian influenza, which has decimated the R1,2 billion ostrich industry, with more than 20 000 people in rural Western Cape losing their jobs and 41 000 ostriches being culled⁵. These factors, together with the current moderated GDP outlook and its risk to the downside, suggest that the Western Cape labour market situation is not likely to improve in the near future. Indeed, the current predicted output growth trajectory is expected to stimulate employment growth through creation of 205 000 jobs between 2012 and 2017 (1,9% p.a.), which notably falls short of the target of 2% per year.

Given these larger global and regional developments and trends, the goals set for the province have proven ambitious. Cognisant of these impediments, the Department aims to mitigate challenges within the province by intensifying efforts to improve the competitiveness of SMMEs and industries through partnerships with business and labour, continue its cluster-based approach to industrial development, promote the growth of exports of tradable services and manufactures, reduce government bureaucracy, and systematically develop skills and infrastructure where it will have the greatest impact.

¹IMF World Economic Outlook April 2013

²Stats SA Gross Domestic Product 4th quarter 2012

³IHS Global Insight Regional Explorer

⁴<http://www.guardian.co.uk/world/2013/jan/24/truckloads-south-african-farmworkers-sacked>

⁵http://www.ostrichsa.co.za/index.php?action=get_article&id=130

http://www.westerncape.gov.za/text/2012/10/elpro_annual_report_eng.pdf

3.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The table below highlights the service delivery plan and the achievements to date.

Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Tourism Human Resource Development	<p>Direct beneficiaries: Citizens (students – scholars and current students in the Tourism Industry and current workforce)</p> <p>Indirect beneficiaries: Business in the Tourism Industry, HEI, FET's and schools</p>	Citizens (unemployed tourism graduates, unemployed matriculants and learners that exited at secondary school level before completing matric.)	<p>a) 100 beneficiaries of Tourism Skills Training</p> <p>b) 45 beneficiaries of Collective Bursary programmes</p> <p>c) 100 beneficiaries of Job shadowing programme</p> <p>d) 300 beneficiaries of Service Excellence Programme</p>	<p>a) 427 beneficiaries of Tourism Skills programmes</p> <p>HEI Internship placements</p> <p>b) 47 beneficiaries of Collective Bursary programmes</p> <p>118 beneficiaries of Job Shadowing Programme</p> <p>c) 1 109 beneficiaries of Career Awareness Road shows</p> <p>d) 325 beneficiaries of Service Excellence Programme</p>
Quality assurance of tourism products and iconic attraction	<p>Direct beneficiaries: Tourists</p> <p>Indirect beneficiaries: Tourism Industry</p>		<p>a) Safety proactive: 200 establishments supplied with information</p> <p>b) Safety reactive: 30 people reached (tourism victim support)</p> <p>c) 600 Quality assurance assessments of establishments done (This function was previously outsourced)</p> <p>d) 6 Quality assurance assessments of major icons/ attractions/routes done</p>	<p>a) 114 organisations supplied with tourism safety information.</p> <p>b) 37 victims who are tourists, were supported.</p> <p>c) 691 Quality assurance assessments were done.</p> <p>d) 48 assessments were done as part of the Cape Mountain passes tourism audit and 12 Cape Nature reserve assessments were done, as requested by Cape Nature.</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
			<p>e) 50 Road Signage industry support processing of general applications (Road Signage applications are dependent on industry demand). The number of applications cannot be predetermined, an estimate is used to project anticipated applications based on baseline figures)</p> <p>f) 2 Road Signage of Tourism gateways/ routes/major icons/attractions</p>	<p>e) 64 Tourism Road Signage applications were processed.</p> <p>f) The Cape Mountain passes start and end boards were erected as part of route signage.</p> <p>Cape Nature Reserve inspection as major icon assessment.</p>

Consultation arrangements with service beneficiaries

Type of arrangement	Actual Achievements	Comments (possible deviation)
<p>Tourism Human Resource Development</p> <p>a) Tourism Newsletter</p> <p>b) Bulk sms</p> <p>c) Bulk e-mails</p> <p>d) One-on-one</p> <p>e) Road shows</p>	<p>Consultation with customers was achieved through the facilitation of stakeholder engagements between Tourism stakeholders to enhance Tourism Human Resource Development through:</p> <p>a) Tourism Human Resource Development provides input to Departmental newsletter (as required).</p> <p>b) Bulk sms was not utilised</p> <p>c) Bulk e-mails</p> <p>d) One-on-one's and group stakeholder engagements.</p> <p>e) Career Roadshows</p>	<p>b) Bulk SMS process was not implemented directly by the sub-directorate. Stakeholders are informed via bulk-emails, one-on-one's and group stakeholder engagements, i.e. Tourism HRD sub-committee. The roll out of the Tourism Human Resource Development interventions included stakeholder partnerships and involvement in the project implementation. The stakeholders and suppliers made use of this process during the project implementation when required to liaise with the beneficiaries.</p>

Type of arrangement	Actual Achievements	Comments (possible deviation)
f) Jamborees	f) Information provided to Departmental officials attending Integrated Community Outreach Programmes (Jamborees/Career Awareness Workshops).	
g) Izimbizo's	g) Information provided to Departmental officials attending Izimbizo's.	
h) Tourism events	h) Tourism events e.g. career awareness on Tourism skills development programmes.	
i) Tourism Tiered Support Brochures and Pamphlets	i) Brochures and Pamphlets	
j) Local newspapers	j) Local newspapers were utilised and by our stakeholders that the unit partnered with for the Tourism Skills project roll out for the recruitment of youth. Government website utilised in terms of cost effective information sharing for relevant projects i.e. Tourism Collective Bursary Programme.	
k) Customer satisfaction survey	k) The Customer satisfaction survey was utilised as a consultation arrangement for the various Tourism Human Resource Development projects. This included Job Shadow placement programme whereby learners and host employers were provided opportunities to provide feedback on the placement programme after exiting the programme. The SA host training roll out included prescribed SA Host evaluation forms which were completed by the delegates.	
Quality assurance of tourism products and iconic attraction		
a) Tourism Newsletter	a) Provides input to Departmental Newsletter (as required).	a) Not a consultation arrangement required for this service. Not applicable.
b) Bulk sms	b) E-mails and telephonic contact to 45 Tourism bureaus regarding policy, procedures and criteria etc. (represents 445 tourism facilities).	b) Not a consultation arrangement required for this service. Not applicable.
c) Bulk e-mails	c) Bulk e-mails	c) Continuous correspondences via emails with stakeholders ensure that we remain up to date on current issues to address.
d) One-on-one	d) One-on-one communications with Tourism bureaus	d) One-on-one communications

Type of arrangement	Actual Achievements	Comments (possible deviation)
e) Roadshows	e) Roads shows through the RTLC meetings held in each region	e) Roads shows through the RTLC meetings held in each region.
f) Jamborees	f) Department does participate in Integrated Community Outreach Programmes (Jamborees).	f-i) Not a consultation arrangement required for this service. Not applicable.
g) Izimbizo's	g) Department does participate in Izimbizo's.	
h) Tourism events	h-i) Not a consultation arrangement required for this service although Tourism events and Tourism Tiered Support is conducted by Department.	
i) Tourism Tiered Support		
j) Brochures and Pamphlets	j) Brochures and Pamphlets distributed throughout the Western Cape: Tourism safety tips published in 6 languages. Guides to Tourism road signage with contact details and procedures distributed.	j) Brochures and Pamphlets distributed throughout the Western Cape: Tourism safety tips. Guides to Tourism road signage with contact details and procedures distributed.
k) Local newspapers	k) Local newspaper was utilised by external stakeholders as part of Tourism Skills training roll-outs for recruitment of learners and marketing of relevant programme.	k-l) Not a consultation arrangement required for this service. Not applicable.
l) Customer satisfaction survey	l) Departmental Monitoring and Evaluation Unit conducted monitoring and evaluation of Safety and support programme	

Note: The template of the Consultation Arrangements with Service Beneficiaries table has been amended to better reflect the activities and successful implementation of the Department's Service Delivery Improvement Plans.

Service delivery access strategy

Access Strategy	Actual Achievements
Tourism Human Resource Development a) 10th Floor Waldorf Building b) Employer Associations, i.e. FEDHASA etc. c) Academic Institutions d) Cape Gateway e) SETA's (CATHSSETA)	a) 10th Floor Waldorf Building b) Employer Associations, i.e. FEDHASA, Western Cape HR Hospitality Forum and Skills Development sub-committee, etc. c) Academic Institutions (HEI and FET institutions) d) Cape Gateway e) SETA's (CATHSSETA) Additional Service Delivery access strategy: Actual service delivery access was achieved through direct access to Departmental offices. Stakeholder engagements held with direct and indirect beneficiaries to access Tourism Human Resource Development information.
Quality assurance of tourism products and iconic attraction a) 10th Floor Waldorf Building b) Local Tourism Bureaus c) Cape Gateway	a) 10th Floor Waldorf Building b) Local Tourism Bureaus c) Cape Gateway

Service information tool

Types of Information Tool	Actual Achievements
<p><u>Tourism Human Resource Development</u></p> <p>a) Newsletter</p> <p>b) Bulk SMS</p> <p>c) Bulk e-mails</p> <p>d) Publications (brochures, pamphlets)</p> <p>e) Exhibitions</p> <p>f) Career Road shows</p> <p>g) Media</p> <p>h) Annual Report</p> <p>i) Website</p>	<p>Service information tools were utilised during stakeholder engagements between Tourism stakeholders and rollout of Tourism Human Resource interventions.</p> <p>The following actual service information tools were utilised:</p> <p>a) Tourism Human Resource Development provides input to Departmental and external stakeholders newsletters (as required).</p> <p>b) Bulk SMS process was not implemented directly by the sub-directorate. Stakeholders are informed via bulk-emails, one-on-ones and group stakeholder engagements i.e. Tourism HRD sub-committee. The rollout of the Tourism Human Resource Development interventions included stakeholder partnerships and involvement in the project implementation. The stakeholders and suppliers made use of this process during the project implementation when required to liaise with the beneficiaries.</p> <p>c) Bulk e-mails</p> <p>d) Brochures and Pamphlets</p> <p>e) Exhibitions i.e. Department of Labour Jobs Fair</p> <p>f) Career Road shows conducted i.e. career awareness rollout targeted at school learners, public FETs and unemployed matriculants.</p> <p>g) Local newspapers e.g. external stakeholders advertised Skills Training project in applicable regions to market and recruit youth for project rollout.</p> <p>h) Annual Report</p> <p>i) Cape Gateway</p>
<p><u>Quality assurance of tourism products and iconic attraction</u></p> <p>a) Newsletter</p> <p>b) Bulk SMS</p> <p>c) Bulk e-mails</p> <p>d) Publications (brochures, pamphlets)</p> <p>e) Exhibitions</p> <p>f) Media</p> <p>g) Annual Report</p> <p>h) Website</p>	<p>c) Emails with LTO's and stakeholders.</p> <p>d) Brochures and Pamphlets distributed throughout the Western Cape: Tourism safety tips published in 6 languages. Guides to Tourism road signage with contact details and procedures distributed.</p> <p>e) Road shows and Regional Tourism Liaison Committee (RTLCL) meetings.</p> <p>g) Annual Report</p> <p>h) Provincial website</p> <p>Additional service information tool: One-on-one communications.</p>

Complaints mechanism

Complaints Mechanism	Actual Achievements
<p><u>Tourism Human Resource Development</u></p> <ul style="list-style-type: none"> a) Waldorf Building – Disability Friendly b) Contact with management c) Correspondence d) Client satisfaction survey e) Suggestion box 	<p>Complaints mechanisms were put in place for direct and indirect beneficiaries, through:</p> <ul style="list-style-type: none"> a) Waldorf Building – Disability Friendly b) Contact with management c) Correspondence d) Client satisfaction survey in place for some of the Tourism HRD interventions. Further tools to be investigated for implementation in the financial year 2013/2014. <p>Suggestion box not in place as the projects rolled out were implemented in partnership with various stakeholders who assisted with the implementation in the different regions, which did not allow one central suggestion box to reach all stakeholders. Feasibility on the rollout of a suggestion box within the office will be reviewed for the financial year 2013/14.</p>
<p><u>Quality assurance of tourism products and iconic attraction</u></p> <ul style="list-style-type: none"> a) Waldorf building – Disability Friendly b) Contact with management c) Correspondence d) Client satisfaction survey e) Suggestion box 	<ul style="list-style-type: none"> a) Waldorf building – Disability Friendly b) Contact with management c) Correspondence d) Client satisfaction survey e) Suggestion box

3.3 Organisational Environment

The 2012/13 financial year was the year in which Provincial Strategic Objective 1: Creating opportunities for growth and jobs was fully implemented. While this has been an exciting time in the Department, there were some extraordinary challenges that needed to be addressed.

Firstly, the Department is to play a lead role in the application of the National outcomes 4, 5 and 6, being decent employment through inclusive economic growth, skilled and capable workforce to support an inclusive growth path and building, an efficient, competitive and responsive economic infrastructure network respectively. These National outcomes were consequently translated into Provincial Strategic Objective 1 and the subsequent Strategic Directive document, approved in November 2011.

Given the broad, overarching nature of the aforementioned strategies, it became apparent that the current organisational structure did not align to the Department's strategic imperatives. A key challenge faced by the Department was obtaining the right fit of staff competencies to purpose. In this regard, the Department is currently undergoing an Organisational Development exercise, which is hoped will not only assist in placing the correct human resources where most needed, but also ensure that there will be a sufficient staff complement. It should be noted that the Organisational Design process has taken some two years to materialise, which has been unsettling for a number of staff, and directly impacted on their positions.

An example of how the lack of human capital has had a significant impact is exposed in Programme 3: Trade and Sector Development, where the need to appoint numerous persons in acting positions from the Programme Manager down, was required. This also meant that critical posts, such as the deputy for clothing and textiles, could not be filled. These challenges have also been experienced in Programme 5: Economic Planning, where staff was shifted to the Office of the HOD to assist with various transversal management issues.

Furthermore, during the 2012/2013 financial year the OCP was faced with the implementation of the Consumer Protection Act, 2008 (Act 68 of 2008). The aforementioned legislation drastically amended the transactional environment between consumers and business and more protection measures were afforded to consumers. The impact of this on the OCP was tremendous, especially since the issue of consumer protection was topical and more consumers asserted their rights against business. The effect of this was that a tremendous influx of consumer complaints were received during the year under review, which placed severe strain on the existing human resources. The increased numbers, together with the increased expectations on the part of consumers, therefore posed a challenge in terms of the management and resolution of consumer cases and the impact on human resources was challenging. Despite the aforementioned, the OCP has managed to play an effective role in the resolution of complaints, while also maintaining a more than satisfactory level of satisfaction amongst consumers on the manner in which their cases were concluded.

3.4 Key policy developments and legislative changes

Trade and Sector Development

The National Development Plan that was adopted by the National Cabinet provides an important high level plan that provides support to the work of TSD. This includes the focus on employment creation, support for the role of sectors and clusters in achieving higher levels of competitiveness, and importantly, the role of energy in the economy, with a particular focus on natural gas and renewables. The new version of the Industrial Policy Action Plan (IPAP) was launched at the end of the year, which provides important direction to the work of the Programme, into which the WC sector choice is almost entirely in alignment, and which was strongly influenced by the work of the chief directorate. The SEZ bill that was tabled at the end of the year, will also have an important bearing on the work of the programme, with a number of future possibilities in addition to the Saldanha IDZ and the Atlantis Green Manufacturing Hub.

Business Regulation and Governance

The Consumer Protection Act (CPA) 2008 became operational from 1 April 2011. However, the full impact of the CPA, especially the impact on the existing resources of the OCP, has steadily become evident during the financial year under review. In this regard, it must be noted that the CPA has radically altered the consumer protection environment and this has led to increased protection offered to consumers. The increased protection, as prescribed in the CPA, has also led to substantive changes to the common law and previous policy provisions, and the net effect of this has been an increase in interest on consumer issues. This increase in interest has subsequently led to a direct increase in the number and scale of consumer complaints lodged with the OCP for investigation. The increase in case volumes has placed a strain on the human resources, which has required extra efforts from the existing staff members to meet the challenge.

Economic Planning

National Cabinet adopted the National Development Plan as an over-arching development plan for the country as a whole. Its provincial corresponding strategy **OneCape 2040**, was drafted to give effect to the vision of PSO 1, and provides an action plan for the Province's overall economic development. Provincial Cabinet endorsed the **OneCape 2040** strategy in November 2012.

Skills Development

The National Skills Fund's focus has shifted away from the 27 SETAs to the 50 public FET colleges for funding and leading skills development. The SETAs, however, have the knowledge and experience base of demand-driven, sector-specific skills strategies and programmes, according to the Industrial Policy Action Plan (IPAP) 2011/12 – 2013/14 and the key links with industry to assist in developing relevant skills and career paths for the unemployed and employed. The impact of the shift in the policy is that private providers who provide specialised training and expertise to industry and FETs have limited incentivised funds from government and will eventually not operate, resulting in limiting the competitive edge; which would otherwise be offered when training with the latest equipment or technology and specific industry expertise and mentorship.

The planned decrease of the mandatory grant for companies from 50% to 20% for learnerships and vocational and occupational training, means there will be fewer intakes from firms for youth to gain the necessary work experience and to complete qualifications and increase employability.

4. STRATEGIC OUTCOME ORIENTED GOALS

The goal set by the Department during the period under review, is the creation of opportunities for businesses and citizens to grow the economy and employment.

The necessary conditions to achieve this have been translated into five objective statements:

- Objective 1: To develop and implement the economic strategic plan and policies in support of achieving opportunities for jobs and growth.
- Objective 2: To create an enabling environment (minimal hurdles, sustainable business growth, investment and job creation) through improvement in the regional business confidence index and growth in the employment rate.
- Objective 3: To facilitate demand-led, private sector-driven government support for growth sectors, industries and business by increasing the value of exports.
- Objective 4: To improve the competitiveness of the region through infrastructure-led economic growth.
- Objective 5: To facilitate through EPWP 204 770 "100-day work opportunities" and 111 859 "full-time equivalents" between 2009 and 2014.

The Department has developed its strategies and action plans to give meaning to both the Province's Strategic Objective 1, Increasing opportunities for growth and jobs, and national's National Development Plan, eliminating poverty and reducing inequality by 2030. With regard to the former, the Programme had as its bedrock the creation and maintenance of an enabling business environment. Regarding the latter, the programme's work centred on the (NDP's) priorities of raising employment through faster economic growth and building the capability of the state to play a developmental, transformative role. Combining these two policy directives, the Programme has put in significant effort in attempting to achieve the national outcome of "decent employment through inclusive growth".

Although acknowledged by the NDP that SA has a relatively sound private sector business environment, government still needs to play a proactive role in ensuring that this environment is conducive to the establishment and growth of business, and ultimately to increase employment. Through our approach of demand-led private sector-driven growth, the Department has expended significant efforts in the following areas, and hence addressing the key strategic objectives:

- **Reducing the cost of regulatory compliance.** The establishment of the Red Tape Reduction sub-programme, the first of its kind in South Africa, has made, since its establishment in 2011, significant inroads in making it easier, cheaper and faster to do business in the Western Cape. The key interventions of the sub-programme via its Transversal Working Group included:

- o The Business Support Helpline – a call centre that allows businesses to register red tape-related issues constraining their businesses. The resolution rates of such cases were in excess of 85%.
- o The Municipal Red Tape Reduction Project. This was done in partnership with the Cape Winelands municipalities and, as phase one, identified blockages to business and economic growth. The second phase has commenced where action plans are being implemented to improve the business enabling environment of the local areas.
- o The establishment of a one-stop-shop walk-in centre by the Department of Transport and Public Works. This centre enables business owners to not only enquire about the Department's tenders, but also allows the quick resolution of all traffic related matters, e.g. operating permits and licences.
- **Support for small businesses.** Overlap and duplication of services by small business support organisations and agencies have long bedevilled the industry. Through its partnership with SEDA, The Business Place and the West Coast Business Development Centre, the Department has not only improved co-ordination among these agencies, but more importantly established a network of nineteen points from which entrepreneurs and small businesses can access business support. In addition, our thrust to improve access to finance was bolstered by a partnership with the National Empowerment fund (NEF), which meant that Western Cape-based small businesses have direct access to enterprise development funding and development finance. This partnership with the NEF is the start of the Department's plan to improve the co-ordination of such funding institutions and in doing so, improve access to the entire spectrum of finance available from local to national government.
- **Public sector procurement promotion.** This demand-side intervention is considered by the Department as critical in the development of, especially, emerging businesses. Through a proactive programme of support, doing business with provincial government was made easier, cheaper and quicker through interventions, which included:
 - o The streamlining of the procurement process. Small businesses now register once-off with provincial government and in doing so, have access to all tenders across all thirteen departments. In addition, all tender applications will soon be done electronically, obviating the inconvenience of physically handing in tenders.
 - o Procurement promotion awareness programme. This programme included hugely successful Supplier Open Days and ongoing local interventions, not only highlighting provincial and local procurement opportunities, but also proactively assisting small businesses with compliance and other regulatory issues.
- **Improving the capacity of local municipalities.** Through its Regional Programme of Excellence, the Regional and Local Economic Development arena focussed on assessing municipal performance and addressing gaps that emerged to strengthen the ability of municipalities to provide fertile ground for business to flourish. Basing municipal support interventions on the acclaimed LED Maturity Assessment tool, the outcomes of our interventions were very encouraging. Of the 27 municipalities supported over two periods, 74% showed positive improvement in their overall LED scores. Co-ordination of LED-support efforts was strengthened by the department's significant involvement in all district municipality LED Forums and by its own Provincial LED Forum engagements, to play its key role in improving the local economic business environment.

The key goal of creating opportunities for growth and jobs through **sector development**, and through creating opportunities for businesses and citizens to grow the economy, has been successfully done through the Trade and Sector Development Programme. Trade and investment worth R2,135 billion was attracted into the economy through the efforts of Wesgro and the SPVs. Employment opportunities facilitated amounted to 22 272 and 1 649 enterprises were supported.

Towards the five year strategic objective of facilitating economic growth through attracting between R3,8 billion and R7,4 billion of investment, Wesgro attracted R1,6 billion in the 2012/13 financial year, and contributed 1 473 jobs to the lower and upper targets of 3 800 and 7 400 jobs over the five-year period.

To support and develop economic sectors as a key contributor to maximising economic opportunities, sustainability and growth, the Department has supported 11 sectors, facilitating 20 566 job opportunities over-achieving significantly on the target of 8 743 jobs, and has facilitated R2 billion of investment, towards the five-year target of R527 million. It has also achieved well over its five-year funding leveraged target, by facilitating R125 million.

Regarding the facilitation of economic opportunities through the development of strategic initiatives, the programme met its target, facilitating seven major projects. Due to the time scales of the projects, the programme has not yet achieved its five year objectives of creating 3 100 jobs, facilitating R1 billion in investment in economic infrastructure jobs and facilitating R1 billion in investment in economic infrastructure.

Through our sector development and strategic initiative programme delivery met the key objectives at the heart of the NDP, which is to create jobs and economic growth, to expand infrastructure and to reduce poverty through job creation and boosting investment in new economic activities, particularly in the labour intensive sectors.

The Business Regulation and Governance Programme has steadily moved towards achieving the goals as set within the Department's Strategic Plan. In this regard, considerable progress has been made as far as operationalising the Western Cape Consumer Affairs Tribunal (WCCAT). The WCCAT is a statutory institution established in terms of the Western Cape Consumer Affairs (Unfair Business Practices) Act, 2002, that is mandated to act as an adjudicating authority in the arena of consumer complaints. The year under review has therefore seen the targets, as set for the WCCAT, being met and this has directly led to the enforcement of consumer protection now being elevated to another level that involves legal compliance. The OCP is therefore on track with the implementation of this specific goal, as stipulated in the Strategic Plan.

It will also be noted that the implementation of a regional based consumer protection scheme has taken shape over the period under review. In this regard, three regional offices have been established in the areas of Southern Cape/Eden, West Coast and the Cape Winelands. As noted in the Strategic Plan, the enhancement of a regional service would see a natural reduction in the utilisation of the services of consumer advice offices across the province. The year under review has seen a reduced number of community advice offices being utilised, which is in line with the five-year target as set in the strategic plan. As a result, the OCP is on track in implementing this strategy.

In terms of the strategy of ensuring that the OCP becomes a leader within the consumer protection arena, the results as reflected in this report demonstrates that considerable progress has been made in this regard. The targets relating to consumer education interventions conducted, complaints received, complaints resolved and the financial savings accruing to a consumer due to the OCP's assistance, is clear evidence demonstrating that the Western Cape OCP remains the leading province in terms of providing effective consumer protection services. It must be noted that the Western Cape has received and attended to the largest volume of cases amongst all provinces, even though its resources and staff complement were not on an equal footing with other provinces. This is a noteworthy achievement, since a commendable volume of cases was resolved despite the human resource challenges OCP faced.

Consumer Protection is a concurrent constitutional legislative mandate. This therefore implies that both spheres of government have the authority to legislate and therefore provide services on consumer protection matters. On a national level, the Department of Trade and Industry (the "DTI") has promulgated the Consumer Protection Act, 2008 (Act 68 of 2008). This legislation now provides a structured legislative framework, which prescribes certain minimum standards and business practices that has to be complied with by business in South Africa. The legislation furthermore imposes an obligation on provincial consumer protection divisions to implement certain provisions of the national legislation and act as an authority that provides direct customer orientated services. This will therefore result in provincial departments attending to consumer complaints in terms of the national legislation and assisting members of the public. In addition, provincial consumer protection authorities are obligated to play an integral and effective role in empowering citizens to know and understand their consumer rights and obligations. This obligation therefore demands that provincial offices must be extremely focused on becoming citizen centric as to ensure that the public receives the assistance and guidance as enshrined in the new legislation. The various projects, e.g. consumer education campaigns, financial literacy workshops/information sessions, complaints received and resolved, increase in awareness levels, satisfaction levels of service delivery and financial value savings to consumers, that have been initiated and implemented by the OCP, are therefore directly aligned with the national outcome of ensuring that an **"efficient and effective development orientated public service and an empowered, fair and inclusive citizenship"**, is developed. An evaluation of the performance indicators and the achievements in this regard demonstrate that the OCP has made an effective contribution towards the achievement of this national outcome.

It is common cause that the enabling environment comprises all relevant economic, political, social, regulatory and international factors external to firms in the Western Cape. In terms of Provincial Strategic Objective 1, which relates to this Department, the focus of this strategy is on all government policies and practices, which "set the

rules of the game" for business in the province and which influence the performance of the market, incentives to invest and the cost of business operations. The ideal enabling environment is one that minimises the hurdles to sustainable business profitability, investment and job creation.

Regulation, once generally viewed as anti-development and a negative force in an environment seeking to grow the economy, has in recent years come to be seen as an enabling factor to ensure that all the economic role-players – consumers, enterprises and the various levels of government – co-operate in a legally secure and predictable environment, structured towards economic growth and transformation. There is a growing realisation on the part of the business sector that economic growth should not be at the expense of equity and that fairness to consumers and the espousal of responsible trading and production practices can serve as competitive advantages that will stand them in good stead in a globalised economy, where competition will increasingly be against foreign rivals as opposed to local ones. The approach adopted by government, is to establish and implement mechanisms that will unlock the benefits of the country's economic growth, whilst minimising social costs by striving towards social objectives such as reduction of personal debt; providing affordable and transparent access to credit; developing social and economic infrastructure and putting measures in place to combat the negative social consequences of the regulated industries. It is therefore the view of the Department that the provision of an effective and efficient consumer protection service within the department has made a substantial contribution towards the Provincial Strategic Objective 1.

The most significant steps in achieving the Department's strategic outcome-oriented goals were the translation of PSO 1 into tangible programmes and projects, with clearly articulated outcomes and the drafting of the **Economic Synthesis Report**, which will form the basis of a seven-year economic development strategy for the Province.

In order to improve economic intelligence in the Province, the **Economic Development Partnership (EDP)** was launched in April 2012. The objectives of the EDP include the promotion, facilitation, development and support of:

- Economic and market intelligence;
- Economic system performance and monitoring; and
- Economic partnerships at different levels in the economic system

The EDP and the Department successfully set up **OneCape 2040**, to develop "a resilient, inclusive and competitive Western Cape with higher rates of employment, producing growing incomes, greater equality and an improved quality of life." To implement this vision, it is already involved in a number of key projects and programmes, focusing on employment, investment, enterprise and innovation.

All measures have been taken to ensure that the key strategic priorities for growth and jobs are still realised within the Tourism, Film and Craft sectors, while ensuring cost effective and efficient delivery mechanisms.

For Tourism Destination Marketing the focus was on growth of the sector, with key interventions in business tourism, leisure tourism and events. A **Tourism, Arts and Entertainment** demand-led strategic plan for jobs and growth was developed. The purpose of this focal point was to develop a growth plan for the targeted sectors that will feed into and contribute to the overarching economic strategic plan as envisioned in PSO 1. Support for Tourism, Arts and Entertainment sector growth was provided through focusing on increasing visitor arrivals and spend in the Tourism industry and increasing the value of trade and investment for the Film and Craft sectors during the financial year. Tourism infrastructure-led economic initiatives were developed, which has been achieved through a close relationship with the EPWP programme at national level and looked at developing strategies that will leverage co-funding from various stakeholders to develop and improve Tourism infrastructure. Work opportunities in the targeted sectors were facilitated through tourism enterprise development and tourism human resources development.

The **Workforce Development's** key strategic objective is aligned with Provincial Strategic Objective 1: Creating opportunities for growth and jobs, and the National Development Plan (NDP) in realising an environment for sustainable employment, inclusive growth and promoting employability in labour-absorbing industries.

The challenge, however, has been that economic growth has not resulted in significant job creation, leaving unemployment still being the highest amongst the youth. In response to these latter challenges, the strategic interventions have relied on business, academia, civil society networks and private and Further Education and Training involvement to work towards:

- An improved alignment to the NDP to boost private investment in labour-intensive areas and through incentivised placement, mentorship schemes, relevant technical and soft skills training, to lead to lowering the risk of hiring younger workers.
- Promoting placement and possible employment of youth in labour-absorbing industries, key of which have been: wholesale and retail, government, manufacturing, maritime and, hospitality. These sectors are aligned to predicted growth and employment by sector for the Western Cape (2000-11: Quantec Research).
- Providing bridging technical and work readiness programmes for school leavers, particularly artisans and matriculants.
- Better alignment with curricula and industry needs.
- Increased involvement of industry in participating and influencing the Sector, Educational and Training Authority's Skills Plans.

These strategic interventions should also assist with meeting the key future requirements of the economic role players in the predicted growth amongst semi-skilled and skilled labour.

5. PERFORMANCE INFORMATION BY PROGRAMME

5.1 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

Sub-programme 1.1: Office of the HOD

Sub-programme 1.2: Financial Management

Sub-programme 1.3: Corporate Services

Strategic objectives for the financial year under review

For the 2012/13 financial year, the Programme set the following strategic objectives:

- a) Maintain level 3 and strive for attainment of a level 4 financial management capability, and
- b) To ensure horizontal and vertical alignment of the Departmental Communication Strategy to adequately inform and empower the people of the Western Cape by providing access and connectivity to Departmental activities.

Strategic objectives, performance indicators, planned targets and actual achievements

As noted above, the mandate of the Programme is to provide innovative leadership and deliver a clean, effective and efficient corporate service to the Department. As such, two critical areas were identified. These are:

- a) To ensure the migration to a level 4 financial management capability rating; and
- b) To ensure an effective communication strategy that empowers the average citizen of the Western Cape.

This said, four core strategies were identified to form the building blocks for this migration. These are:

- a) Providing excellent client support services;
- b) Implementation of a responsive financial policy framework;
- c) Ensuring that all staff is suitably capacitated to meet the financial and governance standards required; and
- d) Improving on the communication strategy of the Department.

Providing excellent client support services

A critical aspect within the Programme has been identifying who our clients are. This question, while it may seem rather simplistic, is extremely important, as all information produced has to be packaged that would best suit the needs of the identified clients. A critical decision taken was to ensure the Programme could not follow a "one size fits all" approach. The individual needs of our clients would need to be taken into account.

To this extent, the Programme has not only engaged with our internal clients (line units), but also taken the initiative to meet with various implementing agencies that deliver services on behalf of the Department.

Key outcomes from this strategy was to ensure that all stakeholders in the economic development family were au fait with what needed to be done, by when and the standard that was required.

A further critical aspect of this strategy was to develop simplified templates that could ensure uniformity and excellent quality standards. In this regard, best practice was shared and minimum standards templates produced for various documents, such as business cases, submissions, project plans and project monitoring reports.

In the provision of serving the needs of our clients, the Programme also ramped up a number of its reporting measures. Most notably among these are the quarterly financial and performance report to the Shared Audit Committee. In assessing the needs of the Shared Audit Committee, the Programme merged its financial and performance reports. To this end, the Department has been commended by the Shared Audit Committee for providing information that is useful, reliable and easy to read. The Committee also noted that they would be sharing the report with other Departments as the benchmark for all reporting to them.

While the development of templates goes a long way, the Programme also emphasised the need for training and capacitation. To this extent, the Programme rolled out a number of projects aimed at ensuring that line units are fully capacitated in all aspects of governance and financial management. These interventions not only focussed on line units, but also had the added focus of ensuring that Financial Management staff was up to date with new developments within the financial management spectrum.

A key project introduced by the Financial Management unit to assist in client support was to initiate a new IT system to enhance operational efficiency within the Department, by laying the foundations for a helpdesk and client support system where queries can be logged, tasks assigned and progress recorded. The system should be operationalised within the 2013/14 financial year and piloted by the Asset Management unit.

Furthermore, during the year under review, the programme also undertook a project to professionalise the image of the Department through the recapitalisation and upgrading of obsolete equipment and the introduction of new projects that would improve efficiency of staff and consumers who utilise the services of the Department. The first phase of this project saw the majority of all meeting rooms upgraded with new user-friendly equipment. This project will also have added benefits, as the running costs for boardrooms will be reduced with more environmentally-friendly equipment. It should also be noted that obsolete equipment that resulted from this project was also redistributed to various non-profit organisations such as the SOS Children's Village, Saartjie Baartman Centre, St Francis Adult Education Centre and Sobambisana Community Development Programme, thereby giving practical effect to the slogan "Reduce, reuse and recycle" and the 110% Green project of the Province.

Implementing a responsive financial policy framework

The 2012/13 financial year saw numerous amendments to the financial management policy framework being introduced by both the National and Provincial government. These amendments were introduced primarily as a result of giving effect to various forms of legislation such as the Public Finance Management Act, subsequent regulations and Provincial Treasury Instructions, as well as procurement practice notes issued through the Treasury. A further point of assessing the need to update the policy framework was accessed through the review of formal audits conducted with the Department and the review of risk assessments.

During the year under review, the Programme undertook a rigorous process of updating its policy framework (the Financial Manual), which is a consolidation of financial prescripts (PFMA, NTRs, PTIs and NT Practice Notes) into one document for easy reference. This serves as a guide in performing financial operations more effectively and efficiently.

A further enhancement during the year saw amendments to the budget and planning approach followed in the Department. A key enhancement introduced was the drafting of business cases for each project, which includes the following benefits to the Department:

- a) It ensured all projects undertaken by the Department are aligned towards common goals;
- b) Allocation efficiency measures are improved as all proposed projects can be compared against each other with the biggest impact projects supported;
- c) Project management as well as strategic sourcing principles enhanced; and
- d) Cash flow management practices are enhanced.

With the shift in focus towards the effective, efficient and economical utilisation of resources, performance information and reporting has been placed at the forefront of the governance environment. In an effort to ensure that all performance information conforms to the principles of reliability, validity and accuracy, the Financial Management unit has amplified its focus on Auditing of Performance Information (AOPI).

Benefits from conducting an AOPI programme are:

- a) It helps the Department manage the progress towards achieving its objectives;
- b) It enables the Department to make informed decisions about where to invest resources;
- c) It affords the Department the ability to hold implementing agencies to account for performance; and
- d) It provides assurance to all stakeholders (Parliament, general public etc.) that the Department is applying its resources with the aim of achieving objectives.

Internal Audit has also recognised this process and has incorporated the audit of performance information conducted by the Internal Control Unit within the combined assurance model, which was tabled at the last Audit Committee. The combined assurance included other aspects of work performed by the Internal Control Unit within the combined assurance model.

Suitably capacitated staff

The need for properly capacitated staff is of utmost importance for the successful management of any organisation. It is also especially vital that all staff is familiar with various financial prescripts that impact on the work of the Department, to ensure there is a proper governance and oversight environment.

Furthermore, with more capacitated staff, less clerical errors occur, resulting in faster turn-around times, lower administrative costs and faster payment of suppliers. This is evident in the average number of days taken to pay creditors currently being less than 20 days from the date received by the Financial Management unit.

Another notable achievement is the percentage of the budget spent which, for the period under review, is 99,6% of the adjusted budget. This achievement could only be accomplished through the tireless work of all role-players in the project management scope where each stakeholder, from the service provider to project manager to financial management, were aware of their roles and responsibilities and how each dovetails to ensure positive results from projects.

Through the tireless efforts of the Management Accounting team, in conjunction with the Internal Control Unit, the Programme has ensured that in excess of 80% of the Department's Predetermined Objectives (PDO's) were achieved. This effort could only be achieved through the constant capacitation of all staff in elucidating the importance of working towards set objectives. These efforts have been accomplished through various training sessions such as finance focus meetings, reports to management and report back on the Audit on Performance Information (AOPI) processes and a focus on the monitoring of projects and programmes initiated by the Department.

Communication strategy

The Communications Unit served as the link between the Department and the Department of the Premier's Corporate Communications and Strategic Communication Sub-directorates.

The unit ensured that communication messages on the Department's offerings were aligned with the Western Cape Government's brand promise. Furthermore, the unit took the lead role in guiding the Department in the rollout of the Western Cape Government's corporate identity.

The unit compiled a communications plan and managed all communications interventions, including mass media campaigns and publications. The unit assisted all Programmes with the briefing of the communications agency and co-ordinating procurement of communications services.

The unit also delivered a language service to the Department, in line with the Western Cape Language Policy.

Strategic objectives

Administration					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 1.2: Financial Management					
Financial Capability Model Rating	3+	3+	3+	-	-
Sub-programme 1.3: Corporate Services					
Awareness Rating	-	70%	70%	-	-

Performance indicators

Administration					
Performance indicators	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 1.2: Financial Management					
Percentage compliance to the implementation framework	80%	70%	70%	-	-
Number of financial efficiency interventions implemented	4	4	4	-	-
Actual expenditure as percentage of adjusted	99.62%	98%	99.60%	1.60%	The Department performed better than anticipated due to a collaborative effort among all role players.
Average monthly deviation from monthly cash flow forecast	6.59%	5%	3.83	1.17%	The Department performed better than anticipated due to the exhaustive work in aligning spending to forecast projections.
Number of IYMs submitted by PT due date	12	12	12	-	-
Number of QPRs submitted by PT due date	4	4	4	-	-
Ratings received from Internal Control against Level 4 criteria	3+	3+	3+	-	-

Administration					
Performance indicators	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Updated Financial Manual	100% Updated Financial Manual as well as updated Financial Management Pocket Booklet	Updated Financial Manual	Updated Financial Manual	–	–
Average number of days for the processing of payments to creditors	Payments to creditors within 20 days	Payments to creditors within 30 days	Payments to creditors within 30 days	–	–
Unqualified Audit report with no other matters.	Unqualified Audit report	Unqualified Audit report	Unqualified Audit Report	–	–
Sub-programme 1.3: Corporate Services					
Number of Departmental events co-ordinated and supported.	29	20	34	14	The Department's need for assistance with events has exceeded the target due to additional assistance needed in terms of branding.
Number of Annual Report copies copied in English.	300	300	300	–	–
Number of official documents translated.	28	20	50	30	The target was exceeded due to the number of legislative changes that the Department experienced.
Number of Departmental Newsletters.	4	4	4	–	–
Maintenance of and update of the Cape Gateway Website.	18	12	21	9	The Programmes were more aware of the benefits of communicating via the web and with the Communications unit's assistance, this medium could be utilised more than before.

Strategy to overcome areas of under performance

None.

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2012/2013			2011/2012		
	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	3 486	3 486	–	2 259	2 259	–
Financial Management	20 165	20 122	43	17 097	17 097	–
Corporate Services	1 603	1 602	1	1 409	1 409	–
Total	25 254	25 210	44	20 765	20 765	–

5.2 Programme 2: Integrated Economic Development Services

Purpose

To promote and support economic development through shared partnerships.

Programme Structure:

Sub-programme 2.1: Enterprise Development

Sub-programme 2.2: Regional and Local Economic Development

Sub-programme 2.3: Economic Empowerment

Sub-programme 2.4: Red Tape Reduction

Strategic objectives for the financial year under review:

- To create an enabling environment that minimises the hurdles to sustainable business growth, investment and job creation;
- Improving regional and local co-ordination through strategic LED support to local economic role-players;
- To create an enabling business environment for sustainable economic empowerment through the promotion of procurement opportunities to local businesses; and
- To create and maintain an enabling regulatory environment through the reduction of Red Tape and other unnecessary burdensome bureaucratic processes and procedures.

Strategic objectives, performance indicators, planned targets and actual achievements

Enterprise Development

Improved co-ordination of and access to enterprise development initiatives and interventions continued to be a main focal point of the Sub-programme. The change in approach from being interventionist to the facilitation of economic and enterprise development, has during the past financial period been subtly phased into the way the Department conducts its business. One of the positive results of this approach has been an increase in the number of access points to professional business development services (20 access points across the Western Cape) through the Partner Network (Seda, West Coast Business Development Centre and The Business Place – Philippi). The Enterprise Development Unit also continued its working relationship with the South African National Apex Co-operative. This ensured that the unit was in a position to promote co-operatives as a means of drawing on the collective energies and efforts of community members. The newly formed partnership with the National Empowerment Fund (NEF) resulted in the NEF contributing an amount of R12 million to the Western Cape DEDAT/NEF ED Fund Initiative. This partnership also culminated in the establishment of a local NEF Office in the Cape Town CBD. The office became operational during June 2012. In doing so, Western Cape-based small business now have direct access to this source of funding – as opposed to liaising with the national office in Gauteng.

Business competitiveness and growth is seen as a key enabler to job creation. The Enterprise Development Unit has for the period under review piloted its Business Competitiveness initiative and continued with the Legacy Mentorship programme. The Business Competitiveness initiative was aimed at equipping manufacturing concerns with modern machinery and equipment, while the Legacy Mentorship provided access, at no cost to the beneficiary business, to accredited mentors.

In addition to the aforementioned interventions, the Enterprise Development unit also focused on **creating awareness and promoting entrepreneurship** throughout the province. This culminated in the successful hosting, together with the City of Cape Town, of the Cape Town Entrepreneurship Week. The Department also successfully replicated this initiative, albeit on a smaller scale, in the Eden Region.

Economic Empowerment

The promotion of procurement opportunities and access to finance as enablers for the development and growth of small businesses was identified as key objectives of the Economic Empowerment Unit.

The **Supplier Development Programme** was a resounding success, leading to significant outcomes for small emerging enterprises. The programme, aimed at facilitating access by small enterprises to public and private sector opportunities and allowing corporates to open their supply chains to emerging suppliers, comprised hands-on workshops and capacity building interventions. Our strong partnership with Provincial Treasury ensured that the public sector procurement component of the programme, as in the previous years, was a huge success.

A second key focus area for the Economic Empowerment Unit was **increasing access to business finance and incentive schemes**. This, after months of discussions, led to the formalisation of a working relationship between the National Empowerment Fund (NEF) and the Department. The WCDEDAT / NEF Enterprise Development Fund initiative facilitated access to low cost financial products to Western Cape-based entrepreneurs. The Economic Empowerment Unit, in its efforts to positively influence the uptake of government incentives and initiatives, also took the lead in arranging an "Access to Finance Road Show" across the Western Cape Province (Cape Town, Eden, Klein Karoo, Cape Winelands, Overberg and West Coast).

In its efforts to assist with **advocacy and the increased awareness** (of procurement opportunities) the unit embarked on various initiatives in collaboration with the Provincial Treasury, SARS, various BEE Verification Agencies and other stakeholders. These comprised workshops and sessions that focussed on compliance regarding public sector tendering, costing and other issues crucial to successful bidding. This platform was also utilised to create awareness regarding procurement opportunities to compliant businesses. In conjunction with ongoing awareness of compliance related to tendering, our BBBEE verification programme – effectively subsidising small businesses wanting to obtain BBBEE certificates, continued to attract attention and uptake by small businesses.

As part of all these projects and interventions our procurement portal continued to be extensively marketed as a virtual "one-stop-shop" for tender opportunities.

Regional and Local Economic Development

With a focus of creating an enabling business environment, the sub-programme designed strategy to support strategic LED intervention along with strengthening regional and local co-ordination.

In guiding strategic LED intervention, the Sub-programme had two client focus areas for the year – local business and local government – and it continued to ensure that strategic, but practical, approaches were taken and that relevant plans and support tools were utilised for meaningful delivery.

The **Regional Programme of Excellence** of the sub-programme aimed to boost the capacity of local government to promote LED, and focused on assessing municipal performance and addressing gaps that emerged to strengthen the ability of municipalities to provide fertile ground for business to flourish. LED Advisory and Support Services encompassed LED Maturity Assessments and tailored Capacity Building projects. **The LED Maturity Assessments** measures the LED maturity indices of the 30 municipalities in the Province, and assists in working towards and achieving improved LED Maturity indices in each municipality. It provides a rapid assessment of the readiness of a municipality to successfully undertake LED. The results of the first measurement show that support provided resulted in seven municipalities benefitting and showing improved LED maturity indices for the year past, over-achieving on the target of six. Sixteen municipalities received support, with some of them receiving access to multiple interventions. Out of 27 municipalities that formed the basis of our comparison for the two periods (2011/12 and 2012/13), 20 municipalities (74%) showed positive improvement in their overall LED scores.

The Capacity Building Projects were aimed at building awareness within municipalities of the importance of sound LED plans, strategies and actions; building the capacity of municipalities around economic development issues to strengthen their competency to deliver for LED, and encouraging an increase in the adoption of strategic economic projects, resulting in more empowered enterprises within emerging sectors in regions. The projects undertaken included capacity-building interventions as requested by municipalities. The following four interventions were prioritised for the year: Investment Promotion training, the LED Management training Programme, hosted in partnership with SALGA, the Genesis training Programme for the Overberg region, and the PACA exercise undertaken with the Central Karoo region, and Knysna was also assisted with the completion of a business climate survey.

The RLED Sub-programme continued its support to local government, specifically with regard to assistance with district-level LED Forums and the hosting of the **Provincial LED Forum**. The initiatives aimed to build on and strengthen co-ordination between municipalities, provincial government and strategic partners in economic development. District-level LED Forums are co-ordinated by district municipalities, while the Provincial LED Forum, which occurs biannually, is co-ordinated by this Department. Two successful provincial LED Forums were held (in September 2012 and February 2013 respectively) with the objective of driving a provincial economic agenda and supporting local economic agendas based on priorities. The sub-programme also developed and distributed the first edition of an electronic **LED Newsletter** that reached partners and LED practitioners in the second half of the year.

In terms of growth support to groups of regionally-based business, the sub-programme supported a joint initiative between sub-programmes (within Programme 2) that addressed the refinement and implementation of the **LED Growth Fund**. It looked to provide financial support to stimulate growth opportunities for existing, regionally

based businesses in localities across the province. With substantial demand generated by the private sector, the Provincial Growth Fund was able to exceed (by three) the target of 30 businesses supported in the expansion of their operations. This translated to only 13 economic projects assisted instead of 15 at the close of the financial year. Given the nature of the fund (aimed at supporting viable demand-led business proposals) cognisance has to be taken of two factors that impact on delivery. First, implementation for expansion of a business venture does not happen neatly within, or adhere to government's financial year timeframes; and second and more important, if the Fund is to continue as a sustainable intervention by government, it has to ensure that sound governance and accountability standards are applied. Unfortunately, this too is difficult to achieve within government's financial year timeframe. The solid lessons learnt in respect of the Fund are, however, utilised to shape a more efficient Fund going forward and is invaluable if government is to ensure sustainable practises.

To deliver on improved **regional and local co-ordination**, the sub programme targeted the provincial government over the past year. The sub-programme investigated the merit of establishing a LED working group and the decision was taken to not establish a LED work group at that stage, as engagement with key role-players yielded the following contributions – there was a plethora of platforms and mechanisms that deal with LED; a more consolidated provincial vision and plan on Local Economic Development was required; serious consideration of the development of competitive regions as contributor to outcomes of SO1 (in addition to priority sectors) needed to be undertaken; along with a solid foundation and focus area for a transversal working group to tackle, if we are to provide sound direction to planning within other SOs, e.g. Transport, Environmental Affairs and Development Planning, Local Government, etc. A need had been identified to develop an approach to local economic development. The sub-programme developed a LED position paper and consulted with a wide range of stakeholders, which enabled discussion that established an understanding of LED and reached consensus on defining LED; along with putting forward a position to assist in the development of a Western Cape Government position on how it views LED and what its approach would be in addressing LED. The premise of the LED position paper was accepted and a pilot project was proposed that would illustrate regional co-ordination in action. A West Coast regional pilot was agreed to for the coming year to test the premise of the LED position paper, along with determining the type of interventions and structures required to support the creation and maintenance of competitive regions.

Finally, the sub-programme stayed abreast of regional developments by supporting and participating in other transversal management processes for better integration and delivery, by playing a substantial role in assessment of 30 IDPs of local government and the IDP Indaba processes of PSO 10, the CRDP nodes of PSO 11 and contributions to the PSDF Review process of PSO 7 – the aim of which is to ensure strategic LED intervention and regional co-ordination and facilitation occurs to impact on regional growth and development.

Red Tape Reduction

In seeking to give effect to the Western Cape Government's adoption of red tape reduction as a critical component in realising PSO1, the sub-programme structured its activities for the year around three main interventions – awareness and advocacy; structured responses to red tape-related issues and blockages and sector-specific investigations and resolution proposals.

With regard to **awareness and advocacy**, the sub-programme launched its **Municipal Red Tape Reduction Project** in the latter half of the year, after extensive planning. This was pursuant to an analysis of the call centre statistics (see below), as well as preliminary research results, which pointed to a high level of dissatisfaction among many businesses and business associations with certain aspects of municipal administration in relation to the regulation of local small businesses. The local municipalities within the Cape Winelands District Municipality were earmarked for this project. After several months of intensive engagement with business people and municipal officials (and some mayors), plans were developed in conjunction with the business sector and municipal officials to eliminate or reduce red tape. These plans were due to be implemented in 2013/14, while efforts to obtain buy-in from the political leadership in the Eden District Municipality for the rollout of the project in that DM, were initiated in the final stages of the 2012/13 financial year.

Furthermore, the sub-programme **interacted with various other provincial government as well as national government departments**, public entities and regulatory bodies with various levels of success. The interaction with the Department of Transport and Public Works was particularly fruitful, resulting in the establishment of a walk-in centre that brought several business- (and public-) facing processes together and resulted in considerable timesaving for people who have to renew licences, pay fees and otherwise engage with that department. It also led to the sub-programme commissioning research on the abnormal loads industry in the Province, which research is being used by that department to engage with the said industry. Interaction with other business-facing departments, such as Agriculture and Environmental Affairs and Development Planning, was continuing by year-

end, with considerable progress being made towards efficiency-improving changes, due for implementation in 2013/14. **Engagements with business associations, chambers of commerce, sector associations and government departments** continued throughout the year and resulted, by year-end, in the compilation of a vast database of contacts that are to be used in the sub-programme's awareness initiatives in 2013/14.

The sub-programme sought to address the lack of knowledge of its existence (and the service offered by the unit) by launching a major **radio campaign** in the latter half of the year. This involved a pre-recorded message by Minister Winde being played daily on three major mainstream radio stations in the Province over a period of two months. The success of the campaign was demonstrated by a very marked spike in the number of calls received at the call centre during and immediately following the campaign. The call centre conducted a "source of knowledge" survey, which confirmed that the radio campaign, coupled with (to a much lesser extent) word-of-mouth conveyance of the message, had resulted in the spike.

The sub-programme also launched several sector-specific investigations, commissioning several **research initiatives** to create a foundation of research to anchor and guide its interventions. Informed by its engagement with industry sectors and an analysis of the cases logged with the call centre, research was conducted in widely divergent areas of economic activity, which were constrained by unnecessarily burdensome regulation. These included: immigration; imports and export regulation; red tape in the abnormal loads industry and the property development sector; government use of solar geysers and the like. Pursuant to the said research initiatives, engagements were commenced with the specific industry sectors and the government departments or regulators regulating. These engagements proved difficult, frustrating and labour- and time-consuming, but started to show results towards the end of the reporting period, with the said research, while not uncontested, providing a basis for such engagement.

The **business helpline service**, or the call centre, as the service is generally known, continued to be the most important platform for business owners to register red tape-related matters and obtain business-related information. The number of calls received exceeded the target of 500 by almost half (48.4%). The majority of the queries (ranging between 60% and 75%) were resolved immediately (so-called first call resolution), while the rest were escalated to the Red Tape Reduction Unit for specialist attention or referral to other departments or spheres of government that were more suitably placed or equipped to deal with it. An overall resolution rate of almost 90% was achieved.

The year was also marked by much preparatory work undertaken for projects to be launched in 2013/14. These included the **Red Tape Challenge**, through which the unit would seek to engage employees of the Western Cape Government (WCG) in an initiative aimed at affording these employees an opportunity to reflect on and report the major red tape blockages and frustrations they experience, or contribute to, in the work place, and to suggest ways of reducing or eliminating them. The unit also started engagements with the Global Entrepreneurship Monitor and the World Bank towards the goal of producing a **regional economic performance index** for the Province.

Strategic objectives

Integrated Economic Development Services					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 2.1: Enterprise Development					
Number of new businesses established	498	300	300	–	–
Number of businesses expanded/sustained	723	600	443	(157)	The proof of the realisation of the outcomes took longer than anticipated. Despite this, there is ongoing collection of the outcomes, which will be reached in the new financial year.
Value of funds leveraged	R4.2m	R10m	R14.55m	R4.55m	The indicator is calculated on the value of funds transferred by the Department to the NEF. The agreement requires the NEF to contribute 1.5 times the funding made available by the WCG. Since additional requests were received from small enterprises, more funding was allocated to the Fund, resulting in an increase in funds leveraged.
Number of jobs facilitated/sustained	4 806	2000	3 696	1 696	The inability of large enterprises to absorb labour has had a direct impact on increased economic activity within the SMME sector, which has resulted in increased uptake of jobs within the SMME sector.
Sub-programme 2.2: Regional and Local Economic Development					
Number of municipalities with improved LED maturity assessment indices	–	6	7	1	In addition to offering capacity building support programmes to the six targeted municipalities, the programmes were offered to an additional municipality, which

Integrated Economic Development Services					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
					had requested the assistance, since it was possible to do this within the available budget.
Number of local businesses expanded across municipal areas	5	30	33	3	On average, more than 2 businesses per application were approved through the Fund, resulting in more businesses being expanded.
Sub-programme 2.3: Economic Empowerment					
Number of existing businesses expanded / sustained	20	200	200	-	-
Number of jobs facilitated	-	200	1 747	1 547	A substantial number of businesses (more than what was initially envisaged) benefitted from the business support. These businesses employed larger numbers of individuals than was estimated at the time the target was set.
Value of funding leveraged	-	R2m	R4.380m	R2.380m	The increase in planned performance can be attributed to the increase from 30% to 50% private sector contribution from three of the approved projects. The average percentage contribution, apart from the abovementioned approved projects, is 30%.
Value of procurement opportunities facilitated	R45.7m	R10m	R132.361m	R122.361m	Many of the procurement opportunities were sourced from the construction sector, where the value of procurement opportunities is much higher than other sectors.

Integrated Economic Development Services					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 2.4: Red Tape Reduction					
Percentage resolution rate on queries	–	85%	93.62%	8.62%	The resolution rate of complaints is, of necessity, an estimate. It is dependent upon factors beyond the control of the unit, including the level of simplicity or complexity of the matter reported, the level of detail provided and the willingness or otherwise of the department or sphere of government with responsibility for the area concerned.
Number of position papers tabled to EISSC and accepted for further action	–	4	4	–	–
Number of transversal blockages resolved	–	4	4	–	–

Performance indicators

Integrated Economic Development Services					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 2.1: Enterprise Development					
Number of existing SMMEs supported	5 201	1 560	2 398	838	With the establishment of the Economic Development Centres by SEDA across the province, business development support to existing businesses is more accessible. (There are 20 access points in total.) This resulted in more businesses accessing the service, than envisaged.

Performance indicators

Integrated Economic Development Services					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Number of new SMMEs developed	3 515	1 000	2 846	1 846	With the establishment of the Economic Development Centres across the province, the accessibility makes it easier for start-ups to get assistance.
Number of existing co-operatives (COGTA) supported	171	10	14	4	The Department has put in place a co-operatives support programme. There is ongoing interest from existing co-operatives requiring assistance directly from the Department or from its partners.
Number of new co-operatives developed (COGTA)	112	5	14	9	The Department has put in place a co-operatives support programme. There is ongoing interest from existing co-operatives requiring assistance directly from the Department and its partners.
Number of businesses assisted	3 552	1 570	2 412	842	With the establishment of the Economic Development Centres across the province in the 1st quarter, the availability of business development support to existing businesses is more accessible. There are 20 access points in total. The number of individuals starting up businesses continues to increase. With the establishment of the Economic Development Centres across the province, the accessibility makes it easier for start-ups to get assistance.

Integrated Economic Development Services

Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Number of new businesses assisted	3 515	1 005	2 860	1 855	With the establishment of the Economic Development Centres across the province, the accessibility makes it easier for start-ups to get assistance.
Number of entrepreneurship promotion interventions	–	2	2	–	–
Sub-programme 2.2: Regional and Local Economic Development					
Number of economic development projects supported at local and regional level	9	15	13	-2	As the duration of approved projects on average takes between 6 and 12 months, only 13 projects were completed for the financial year. The number of projects approved and awaiting funding amounted to 21.
Number of capacity building interventions to municipalities	3	4	4	–	–
Number of LED strategies aligned to PGDS and other spatial development plans	–	–	–	–	–
Number of LED Assessments	–	30	30	–	–
Number of municipal specific economic development projects	–	3	3	–	–
Sub-programme 2.3: Economic Empowerment					
Number of target group specific opportunities identified	612	1 000	1 000	–	–
Number of target group specific interventions	115	20	23	3	Effective partnerships and efficient planning have resulted in an increase in the requests for interventions.

Integrated Economic Development Services

Performance Indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Number of existing businesses assisted	100	750	922	172	The unit embarked on a very effective and highly successful registration (WCSD) process with the result that many more businesses were supported.
Number of business/ entrepreneurs promotion interventions	–	25	30	5	Additional procurement promotion requests were received from stakeholders.
Number of visits/hits to the Provincial Tender site	6 993	15 000	223 745	208 745	The tendency of more businesses to obtain quality and credible information electronically has resulted in the substantial increase in the number of people visiting the site.
Sub-programme 2.4: Red Tape Reduction					
Number of call centre queries received	–	500	752	252	The number of queries received is of necessity an estimate and is dependent upon factors largely beyond the control of the unit, such as demand and the response by the business sector to the marketing initiatives launched by the unit.
Number of transversal blockages identified for intervention	–	8	9	1	An additional blockage was identified due to pressure from the sector concerned.
Number of position papers	–	6	7	1	An additional position paper was prepared as it was deemed necessary for the directorate to take and state its position in respect of an additional issue raised by the sector concerned.
Number of advocacy interventions	–	12	12	–	–

Strategy to overcome areas of under performance

A concerted effort on the part of all partners and stakeholders (internal and external) to review reporting systems and mechanisms to ensure alignment to the departmental indicators/targets, is underway.

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2012/2013			2011/2012		
	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	26 283	26 281	2	28 247	28 247	–
Regional and Local Economic Development	13 328	13 315	13	9 446	9 446	–
Economic Empowerment	5 506	5 505	1	5 989	5 989	–
Red Tape	4 357	4 357	–	–	–	–
Management	1 848	1 848	–	8 100	8 100	–
Total	51 322	51 306	16	51 782	51 782	–

5.3 Programme 3: Trade and Sector Development

Purpose

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

Programme Structure

Sub-programme 1: Trade and Investment Promotion

Sub-programme 2: Sector Development

Sub-programme 3: Strategic Initiatives

Sub-programme 4: Management Trade and Sector Development

Strategic objectives for the financial year under review

The programme, Trade and Sector Development have three strategic objectives that are linked to the focus on trade and investment promotion through Wesgro, strengthening and promoting prioritised economic sectors and developing strategic infrastructure projects through Strategic Initiatives.

- The stimulation, facilitation and increase of economic growth and opportunities through export and investment promotion and a strong economic regional brand;
- To support and develop economic sectors as a key contributor towards the achievement of maximising economic opportunities, sustainability and growth; and
- Grow and develop the provincial economy and facilitate economic opportunities through development of strategically competitive and/or infrastructural initiatives.

Strategic objectives, performance indicators planned targets and actual achievements

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 National Development Plan, the Industrial Policy Action Plan (IPAP), and through SO1. A sectoral approach provides the strategic framework for trade and investment, strategic initiatives, SMME development and for skills.

The Department has 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, agriculture and food processing, and the creative and design sectors. The Green Economy as a "propulsive" sector has been elevated in line with its status as an SO1 priority, and the earlier declining support for the narrower tooling sector has been refocused on the broader metals and engineering sector, to take advantage of the major recapitalisation and procurement drives at a national level.

The performance in terms of the outcomes has been largely exceptional, although the APP targets do not provide a full reflection of the successes of the sectoral interventions, and a number of output targets were not met. The programme achieved an 82% success rate on its targets in the 2012/13 financial year, with a number of the stretch targets not being met. Overall the programme attracted R3,4 billion trade and investment projects, facilitated 21 906 employment opportunities, assisted 1 506 firms and progressed seven strategic projects.

Notable in contributing to the achievements above, was the dynamic performance of the BPO sector, with BPeSA facilitating 2 489 new call-centre seats. This was followed by BPeSA winning the UK offshore destination of the year, which will be invaluable in positioning the industry globally. SAOGA created 17 640 work opportunities, with a bumper year of delivery, vindicating the marketing efforts of the organisation and the growing recognition of Cape Town as the oil and gas hub of Africa. This is backed up by the completion of a positive feasibility into the Saldanha IDZ, that will be focused on an oil and gas servicing and supply base. This has led to a commitment by TNPA to invest several billion into port upgrades and infrastructure to accommodate the expected growth in the oil and gas sector.

To ensure that companies are ready to meet the demand, 1 506 firms were supported by interventions aimed at upgrading firm capacities and ensuring competitiveness. This is particularly important in turning around the manufacturing sectors and ensuring that they can compete in local and global value chains. Due to the complexity of the outcome targets, surveys to determine the positive outcome of firms benefiting from the

information platforms provided and expansion of businesses, had a poor response rate, leading to targets not being met.

The Department and GreenCape were instrumental in leveraging R105 million for the SARETC renewable energy training centre. The sector team have also facilitated R25 million into ICT and tooling skills, which will be rolled out over the next three years.

Overall, 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 among 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, red-tape and SMME inputs. The clustering model, outlined above, is a powerful one and is now being adopted as the central economic role accruing to provinces under a national/ provincial treasury task team on economic development, that released a technical paper on Clusters in July 2012.

5.3.1 Sector Development

a) Manufacturing

The manufacturing sectors have shown resilience over the 2012/13 period, retaining more than 17% of the Western Cape's GDP and performing above expectation in most key deliverables, meeting and exceeding in a number of cases their Annual Performance Plan targets and meeting the objectives of PSO1 through ensuring a conducive environment for job creation. The work of oil and gas in attracting trade and investment orders to the province has been particularly notable, with industry players referring to it as a "bumper" year.

The manufacturing sectors have the highest multipliers of all industries, due to their deep backward and forward linkages into all aspects of the economy. It is for this reason that the manufacturing sectors are seen as the "engine of growth" of any economy, and is why the national Industrial Participation Action Plan (IPAP) is focused predominantly on driving competitiveness across its core sectors. The IPAP is focused on facilitating competitiveness across all manufacturing sectors and thereby fostering an environment in which employment can be sustained and even grown in certain instances. Global competition has however remained relentless in its ferocity over market share gains and in many instances, such as tooling and furniture, the focus has been on rebuilding the industrial capability that were decimated by foreign competition and neglected by policy makers.

Oil and Gas

It is very clear to see why oil and gas is a National priority, and has once again been included in the IPAP; with the formulation of a new DTI team, to inter alia, address some of the major infrastructure challenges facing the industry, and to fast-track delivery of the Saldanha IDZ. With the explosion of recent oil and gas discoveries around the East and West coast of Africa, at least 13 International operators have established regional offices in Cape Town. A substantial improvement in the relationship between the industry and TNPA has been noted, with ongoing improvements to the management of the port of Cape Town, inclusive of the maintenance of the port infrastructure.

Despite other areas of concern, Cape Town and Saldanha managed to attract 15 projects for this financial year, bringing in R1,1 billion in industry orders and creating 17 640 work opportunities. This figure excludes the smaller fabrication and maintenance work and services that local firms are providing, that adds an estimated additional R1 billion to the local economy. In addition to the above, 15 information platforms were facilitated, 45 businesses were assisted with exports and over R1 million was leveraged. Twenty-six students were placed within industry and 102 unemployed students, artisans and management staff were upskilled and trained. Membership of SAOGA has grown to 151 companies from across the value chain and continues to attract interest from a number of new companies wanting to join.

During this period under review, the SAOGA, through the Port Cluster Leadership Team (PCLT), commissioned 'The Development of the Oil and Gas Industry Report 2012-2020', which will inform the RFP for the quay extension and the floating dock for Saldanha port. The newly completed Port Handbook will also serve as a marketing tool to inform current and potential investors. In the latter part of the year, SAOGA commissioned a short promotional video, to promote the industry and SAOGA to current and potential investors and stakeholders.

Clothing and Textiles

With a 2,4% growth in the clothing and textile sectors over the last decade, and the noted turnaround in employment, the positive impact of the jointly driven and funded initiatives across the clothing and textile value chain (Fashion, Manufacturing and Cut-Make and Trim) has given credence to the effort expended over the last decade, in driving an economic and industrial development agenda, which did not always find popularity in its vision and intended outcome. The introduction of the new national incentive scheme (CTCP), which was conceptualised by the clothing clusters, has led to an injection of more than R300 million investment into the clothing industry and the long-awaited turn-around. This has gone hand in hand with the restructuring of industry, showcasing an entirely new model of relationships between retailers and manufacturers.

The close co-ordination of the three SPVs that represent distinct portions of the clothing value chain, has borne fruit, and has seen the Cape Clothing and Textile Cluster (CCTC) leading the relationship with the retailers, the Cape Town Fashion Council (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.

The Clothing sector bodies have exceeded their target and trained more than 180 people during the year under review. Two-hundred-and-fifteen businesses were assisted in the SME sector and three partnerships established within Fashion. Funding leveraged was lower than anticipated. With a target of R7.5 million, the sector bodies managed to get signed MOAs for the full amount, but had challenges around paperwork and timeous payments; thus falling short of their objective. At 324 jobs facilitated or sustained, the CCTC managed to exceed their target for the period. The National growth of jobs within the sector is said to have shown an improvement, with a DTI stated growth of 12 000 jobs since 2010.

Most notably during the last year, was the completion of the Textile Mapping report for the DTI, and the imminent implementation of amendments to current tariff regimes could revolutionise the sector; reducing input costs by 11% or more, and growing local production by millions of garments every month. Designation of clothing and textiles under the Preferential Procurement Policy Framework Act (PPPFA), will also have a positive impact on employment, as Government sourcing for these products accounts for millions of Rands, and can thus assist with value chain competitiveness and sector growth. At present only R14 billion of the total R60 billion SA apparel market is sourced within our borders. This gives local manufacturers great opportunity for expansion of market share.

Metals and Engineering

The foundation laid by the programmes and interventions over the last three to five years by the WCTI resulted in a positive growth for companies and the collaboration with investors have good potential to create job opportunities for the industry. The focus of the projects implemented have shifted to include the broader manufacturing industry value chain and has created major momentum through mobilization of industry and other key partners and members have received value adding benefits.

The support and assistance received from DEDAT and NTIP (DTI) enabled the initiative to implement programmes that will develop the capacity of the local supplier base in the Western Cape, which will enable them to compete in potential business opportunities, especially from State Owned Companies (SOCs) as well as large scale international and local investors.

The TDM Powered Programme will have the first batch of 40 students that will complete their apprenticeship programme and another 20 students that will continue with the programme to the second year. WCTI, in conjunction with the Skills Development Unit, managed to secure funding of R12 million for an additional 50 students from the Jobs Fund to complete an apprenticeship programme over the next three years. Six managers and supervisors of companies participated in the Management Development Programme, facilitated by USB and another 32 people participated in Performance Leadership programmes and CNC training programmes that were facilitated by Productivity SA and Northlink College respectively.

The Quality Management System and Business Improvement programmes have been completed and a number of companies finalised their ISO 9001/2008 certification. The Market Development Programme, that will improve the matchmaking process with opportunities from SOC's and international partners, were piloted with the profiling of 72 companies in the Western Cape. These profiles will be loaded onto the NTIP and UNIDO databases. A sample webpage of one company has been created and the rest will be completed and uploaded by the middle of the next quarter. The benchmarking exercise will be conducted on two levels with 10 companies, through the UNIDO benchmarking on the one level, and the WBA Werkzeugbau Akademie GmbH Benchmarking on the other level, which will be followed with supplier development interventions for these companies.

The WCTI hosted bimonthly information platforms to inform members about progress on existing programmes as well as planned new interventions and possible market opportunities.

Furniture

The furniture sector has changed over the past decade and has shown a remarkable growth of 5,4% in the WC. The furniture industry is also included in the IPAP as a priority sector, as well as being included in the newly launched PPPFA, where office and school furniture as well as bedding and mattresses have been designated, for between 80-100% local content. This designation of the sector will provide major opportunities for the growth and development of the industry.

The first tranche of R2 650 600 was received in October 2012 for the implementation of the Skills Development and Cluster project from National Economic Development Department (EDD). This project will focus on the training of 200 people in the furniture industry and the establishment of a local furniture cluster. A skills audit was conducted and the areas identified for training were management, supervisory and technical skills. Ten companies participated in a Lean Manufacturing programme to improve their productivity; the programme was sponsored by the FP&M Seta.

The furniture design competition, facilitated over the last three years, has resulted in support from DTI and the FP&M SETA, to run a national furniture design competition. Companies were assisted to showcase their products at Design Indaba, that was hosted in the CTICC in February 2013 and the winners for the furniture design competition were also announced at this event. Thirty-three companies were also assisted to participate in the 2nd Annual Proudly Capetonian Furniture Exhibition at Selection Warehouse, where local design and manufacturing was showcased. Ten companies participated in a trade mission to Angola as part of the Africa Market Development programme and other countries targeted are Ghana and Benin in 2013. The WCFI facilitated a number of information platforms to inform members of projects and programmes, as well as hosting an interactive website that provides information to the various stakeholders in the furniture sector.

b) Green Economy

Significant work was done over the past financial year to develop a Green Economy Strategic Framework that would guide the Western Cape Government's (WCG's) interventions in this sector. The Strategic Framework identifies five key areas of focus, namely smart living and working, smart mobility, smart eco-systems, smart agri-processing and smart enterprise. Key levers support these drivers where government has a role to play: regulation, infrastructure investment and ensuring that the provincial economy has the capability to support the green economy.

The Framework was the product of engagement with various stakeholders, and the Department not only played a leading role in this process, but would also take the lead in the delivering on a number of issues raised in the Framework. One of the additional benefits of the process has been that the green economy as a concept is starting to be mainstreamed across the province – although significant green economy focused expenditure outside of DEDAT is likely to require innovative ways of enabling investment in the area.

The City of Cape Town's project to roll out solar water heaters (SWHs) has become deadlocked by administrative difficulties within the City. While GreenCape and the Department have continued to participate in the City's process around the project, it is very likely that the project will not move ahead. However, GreenCape continues to play a role in shaping the policy context for the national rollout of SWHs through its participation in national technical committees within DTI, the Department of Economic Development and the South African Bureau of Standards.

GreenCape has continued to engage with new and potential investors, ensuring that the needs of a nascent green manufacturing industry are understood by the WCG. Furthermore, the sector is directly influenced by administrative and policy issues. In many respects, the provincial government does not have the power to move the market, but GreenCape has ensured that they understand where the levers are, and built on relationships with national decision-making bodies in order to influence the formation of policy in the green economy. In this respect, the development of a renewable energy manufacturing sector has received a significant boost through the increase of local content requirements in round three of the national procurement of renewable energy – a direct result of the lobbying work that GreenCape and DEDAT has done over the last 18 months. Much effort has gone into the creation of a green manufacturing hub in Atlantis, and a number of investment obstacles have been removed thus far through co-operation between the City and the WCG. The City of Cape Town made available 75 hectares of industrial land, and an uncomplicated and speedy process for establishing land

holding has been agreed upon. Furthermore, GreenCape commissioned an Environmental Impact Assessment for the entire area, therefore removing a major administrative requirement for prospective investors and avoiding serious delays in setting up manufacturing plants. To date, a number of green technology manufacturers have considered Atlantis as an investment location, but those manufacturers of green economy componentry that have already made their investment, have preferred brownfield sites because of their need to be ready to service the market within a relatively short space. With local content requirements significantly increased in the third round of the REBID (as noted above), wind turbine and tower manufacturers – who cannot make use of brownfield developments elsewhere in the province because of the bespoke requirements of such manufacturing facilities – have once more been in contact with GreenCape and the City about this manufacturing hub.

The next step in the process will be to engage the DTI on the establishment of a Special Economic Zone for green and advanced manufacturing in Atlantis. It is anticipated that a feasibility study for the project will commence in the 2nd quarter of the 2013/14 financial year, and a steering group consisting of the Department, the City, GreenCape, the EDP and the Cape Chamber of Commerce has been formed to lead the process locally. This SEZ will require more City land to be included in the project, and will require the WCG and the City to make a significant investment in the kinds of infrastructure that will support such an SEZ. This offers a unique opportunity to differentiate the province as a leader in green and advanced manufacturing, and – if the appropriate investment is made in developing the skills base to support this sector – will lead to large private sector investments and manufacturing jobs.

The Department and GreenCape failed to meet the 50 students trained target, due to SAQA restarting the qualification process after six months, thereby delaying the start of the programme. GreenCape, however, successfully leveraged funding from the national government, the tertiary and Further Education and Training sector and the private sector to establish the South African Renewable Energy Training Centre (SARETC) at the Cape Peninsula University of Technology (CPUT). The Department of Higher Education and Training has transferred R105 million to CPUT for the construction and operation of SARETC. This funding, from the National Skills Fund, comprises R80 million for capital expenditure, as well as R25 million for operational expenditure over three years. The initial intake of 30 students will be trained in Germany, thanks to co-operation between the Gesellschaft für Internationale Zusammenarbeit (GIZ) and a number of original equipment manufacturers (OEMs) that will be providing wind energy equipment to local wind energy developers – on the basis that the trainees will be employed by these renewable energy developers. This co-operation has also been brokered by GreenCape. The scope of the work at SARETC will be expanded to provide technology training and eventually research space that relates to all of the renewable energy technologies, and will service RE installations in this and at least the Northern and Eastern Cape provinces.

c) Services Industries

The Services Industries Directorate currently focuses on synergistically capturing opportunities in voice BPO, middle office BPO (financial services) and ICT sectors. The growth of these sectors is dependent on the availability of skilled labour at competitive price points. To that end, 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 BPO service industry was also a major activity, as was the assistance of ICT SMMEs and start-ups. The Unit is also beginning to explore opportunities around financial services. This sector is a major contributor to the regional economy and the Western Cape has centres of excellence in the financial services industry, which are competitive globally. The Services Unit has been collaborating with the University of Cape Town to develop a deeper understanding of the sector, with the aim of establishing a dedicated financial services sub-directorate by the 2014/15 year.

An objective for the year was investigating strong niches within the ICT industry, which demonstrate greater potential for growth, including financial services (insurance, banking, and asset management), retail and wholesale, business services and the design-led industries, which includes communications and digital media. The Department has worked with UCT to draft a report on the financial services sector (including insurance, asset management, banking etc.) in the Western Cape. This report will allow the Department to develop, promote and position financial services to service offshore financial markets. To take advantage of the cross-cutting nature of ICT, the Department decided to promote ICT within financial services as a global centre of excellence. The Department has engaged with numerous financial services companies around their ICT requirements with a view to leverage their ICT capacity and infrastructure to grow the sector.

TSD also committed to researching the comparative and competitive advantage and value proposition within vertical markets within the Business Processing Outsourcing sector and the Department has undertaken research into the financial services and legal process services niche segments.

Business Process Outsourcing (BPO)

The Western Cape BPO industry has continued on its path of high growth and increasing international recognition. The sector added 2 489 jobs over the period – representing growth of roughly 65% in the offshore servicing industry. Total agent employment in the province grew by 15% to 32 000.

The Department facilitated eight BPO investment or sales deals into the province through its partner BPeSA Western Cape. Notable investments into the region during the year were the major international outsourcing firms SERCO and Capita. The arrival of these operations signals the growing prevalence of the Western Cape as a world-class BPO service location. Funding leveraged for the period was over R1 million, with the contributions coming from various industry members.

South Africa won the National Outsourcing Association (NOA) – UK Offshoring Destination of the Year Award in 2012. The NOA is the UK's national outsourcing industry body, and the award represents a major achievement in profiling the regions BPO offering.

The Department and its partner BPeSA have also begun to address the challenge of skills shortages in the BPO sector. A framework for training and competency levels has been created in collaboration with industry and the Department and BPeSA are currently engaging with the SETAs and FETs to secure ongoing funding for training based on the framework that the industry can access.

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, with 113 jobs being facilitated through skills interventions of the CAPACITI1000 programme which the Department funds.

The Department committed to developing four major skills initiatives for ICT skills in collaboration with the academia, firms and the Skills Office. Interventions were to be primarily at a post-graduate level. The following skills interventions were delivered – five in total; Business and Systems Analyst programmes, Java development, SAP, IBM and IT Infrastructure management. The value of this programme was recognised by the DBSA Jobs Fund in 2012 when they awarded R12 million in grant funding towards the programme for the next three years.

Research into software process improvement techniques, to facilitate improved software quality and reduced software development costs, has been ongoing. The DTI has contributed funding towards the work that the Cape IT Initiative and the UCT Graduate School of Business are undertaking.

Programme 3 was tasked with concluding a Regulatory Impact Assessment into the legal and economic impact of the ICT regulatory environment in SA, together with Programme 2: Integrated Economic Development Services. This work is ongoing and TSD will collaborate with IEDS to produce the assessment.

The Department's partnership with the Bandwidth Barn saw 68 businesses and entrepreneurs move through its business mentoring and coaching programmes in the year. Of these, 31 have already indicated improved revenues or decreased costs as a result of the interventions.

Sector clustering activities were very successful in the period, with the Cape IT Initiative and its subsidiary facilitating 10 events and information platforms. Funding leveraged for the period was over R4,5 million with major corporate sponsors including Old Mutual, Shoprite, The Foschini Group and Telkom. In order to strengthen specialist forums within the ICT to improve industry cohesion and competitiveness, CITI has hosted numerous events for industry. The Department has also engaged with Wesgro and the Silicon Cape forum to build industry linkages and develop interventions. The task of promoting and harnessing value chain synergies within the identified verticals was addressed through ongoing clustering activities which ensured that synergies in the industry can be recognised and harnessed. The Department was tasked with strengthening a marketing programme to promote the Western Cape to reduce imports and increase FDI/outourcing. This was addressed via collaboration with Wesgro, City of Cape Town and PwC to develop and launch the "Digital Gateway to Africa: Cape Town's Creative Software Design and Development Sector" report. This report will be used for investment promotion and marketing.

d) Resource Beneficiation Industries

The Resource Beneficiation industries (RBI) Unit, for the financial year under review achieved some notable results, particularly in the aquaculture sector, which is set for explosive growth with the announcement of the R800 million incentive programme. The fine-food initiative is moving ahead well, with all targets being met, and exploratory work and research is being done on the natural products sector, culminating in a number of value chain studies, funded by the Dutch government.

The RBI Unit acts as a catalyst for bringing in greater investment into this sector, guiding and helping the industry and creating a conducive environment for healthy growth of the industries. The 2012/13 financial year marked a significant step forward for the RBI Unit in terms of both approach and scale of its programmes for the resource sectors. In the financial year under review, the Resource Beneficiation Industries Unit focused on the following sub-sectors: Aquaculture, Food-processing and Natural Products.

Food-processing

The RBI Unit implemented a number of programmes, in order to expand the industry. It met all its targets of companies supported, businesses assisted, and the outcomes of firms benefitting from the interventions made. The Unit assisted 100 food companies through the implementation of the Food Innovation Support and the Food Safety and Standard Programme. This intervention is important in ensuring that small and medium players reach the quality standards for them to be more competitive, and thereby to compete more effectively in the marketplace, enabling them to expand output and employment.

This included the leveraged support of R9,869 million through collaborating with key stakeholders, such as the Agrifood Technology Station, Honeybush Tea Association and the Western Cape Fine Food Initiative to support programmes on research and development product development, food labelling and SMME upgrading. This included a R6,5 million investment into a chocolate support facility. TSD also partnered with Wesgro and the DTI to support 20 companies to participate in a trade mission to Ghana as well as to the Gulf Foods Trade fair. The Western Cape Fine Food Initiative also facilitated 10 industry sessions to provide companies with networking opportunities, pertinent industry information on regulatory environment, and facilitated the training of 30 people from the Honeybush community co-operatives on cultivation, nursery practices and looking at treatment of seeds, fertilizers and irrigation.

Aquaculture

The RBI unit achieved all of its APP targets for aquaculture, and played a significant role in the development (and contributed to the content) of the DTI's first Aquaculture incentive scheme, namely the Aquaculture Development Enhancement Programme (ADEP). The scheme – valued at R800 million – was launched at the end of March. As the Western Cape has the highest number of operating farms in the aquaculture marine and freshwater subsectors, it is also anticipated that the Western Cape should get approximately 60% to 70% of the incentives.

The Western Cape Aquaculture Initiative (WCADI) facilitated eight information platforms, which assisted 20 companies with activities such as funding, technology, site identification and expansion. Ten additional companies were also directly assisted with interventions in this regard. The Unit and WCADI through the development and implementation of the Animal Health Programme assisted a further 10 companies to enhance their competitiveness that will contribute to their sustainability and greater market access by the end of March. The Unit and WCADI leveraged direct funding to WCADI to the amount of R7 million in partnership with the Department of Agriculture and the International Food and Agricultural Organisation (FAO). It also facilitated support for the Community Abalone Farm in Doring Bay and leveraged R2,4 million funding from the Comprehensive Agricultural Support Programme and an R8 million private sector contribution to establish the first phase of the first community abalone farm in the Western Cape and South Africa. In collaboration with other partners, it facilitated funding leverage of R3,4 million from the Comprehensive Agricultural Support Programme funds to realise a 50/50 cost shareholding agreement between Viking Fishing and Tuna Marine Abalone in an Abalone Farm in Buffelsjag on the South Coast.

The Unit worked in close collaboration with DAFF to initiate the process of declaring the existing Abalone cluster from Hermanus to Gansbaai as an Aquaculture Development Zone (ADZ)/Special Economic Development Zone (SEZ). The Unit and WCADI in collaboration with the Matzikama Municipality also identified a number of potential aquaculture sites in the Matzikama district, which have the potential to be declared as an ADZ/SEZ.

5.3.2 Trade and Investment Promotion

Investment Promotion

For the 2012/13 financial year, Wesgro exceeded its lower band, attracting R913 million, and facilitated 1 546 employment opportunities, which exceeded its target for the year. The outlook is looking positive with a strong pipeline moving into the year ahead, exceeding its target by 13 projects, with 40. The number of businesses assisted with exports exceeded its target of 400, with 646 firms, and has exceeded its target of the number of projects and interventions developed with the SPVs.

5.3.3 Strategic Initiatives

National Government as well as the Western Cape have identified infrastructure as one of the major levers to unlock economic potential and job creation. Within this context, the Sub-Programme Strategic Initiatives has, as its current primary emphasis, the Cape Catalyst initiative, which revolves around the initiation and development of economic, infrastructure-orientated initiatives designed to stimulate industry growth and economic competitiveness. Infrastructure development requires, by its nature, a three to five year project preparation process. This is mainly because its large capital investment requirements necessitate rigorous procedures to ensure that the projects are feasible and viable and that the projects fulfil the broader economic objectives. Added to this, the Department of Economic Development and Tourism has placed heavy emphasis on not only making sure that the projects are demand-led, but also ensuring that there is buy-in and support from other government entities (local, provincial and national). This therefore means that substantial stakeholder co-ordination takes place as a core component of the Cape Catalyst projects. Furthermore, the catalytic nature of the Strategic Initiatives projects are not defined by infrastructure alone, but also by its spin-off, supporting initiatives which seek to maximise employment opportunities and support industry growth and competitiveness like clustering, skills development, incubation and other related infrastructure ventures, which may not have been possible without the Cape Catalyst initiatives.

In order to be responsive, Strategic Initiative projects needs to accommodate the needs of stakeholders and the findings of the various feasibility studies and investigations. This means that the route to project realisation may not occur necessarily in the manner originally conceived and sometimes, not within the original planned timelines. This is to be expected, given the complex nature of the projects where diverse entities' mandates and support are required to converge for project implementation and success. Nevertheless, the Sub-Programme: Strategic Initiatives has delivered on planned milestones and its output indicators, supporting seven infrastructure-related projects. The progress achieved for each of these projects are as follows:

Broadband Initiative. Following the approval of the Western Cape Broadband Strategic Framework and the development of the initial business cases in 2011/12, the Department established the Broadband Programme Office by developing the necessary organisational structure with OD and initiating the recruitment process, with a number of internal posts being filled. Moreover, the Department successfully registered the Western Cape Broadband Public Private Partnership with the National Treasury, initiating the rigorous NT process for establishing a PPP. This included the procurement of a Transaction Advisor and kick-starting the detailed feasibility study necessitated by National Government. The Department also supported the City of Cape Town and more particularly, the Municipality of Saldanha in the development of the feasibility studies of their Wireless Mesh projects, and assisted the Department of Education in the development of a business case to help realise their e-Education Vision, so that the schooling environment can derive maximum benefit from the availability of broadband to improve the quality and standards of education in the Western Cape.

Saldanha Industrial Development Zone. With the approval from Provincial Cabinet to proceed with the application for designation, the IDZ team compiled and lodged a detailed submission to the DTI. This submission obtained a positive recommendation from the Manufacturing Development Board, which in turn initiated a 60-day public comment process involving a public stakeholder engagement programme. Flowing from the finalisation of the public comment period, a Community Skills and Training Committee, with two representatives from each ward, was established to ensure maximised economic benefits to the local municipality. The Saldanha Bay IDZ Licencing Company also established an office in Saldanha Bay to provide enhanced co-ordination with the community and local government. Finally, negotiations with the Industrial Development Corporation saw the conclusion of a Memorandum of Understanding with respect to IDC land being leased on a long-term basis to the IDZ.

The Fringe. The reconfiguration of the Fringe Initiative saw in 2012/13 the development of the Western Cape Design Strategy, backed by an analysis of the Western Cape's Design Industry and a benchmarking exercise examining design as an economic enabler. The programme also initiated the pre-feasibility business cases for the development of a Design Park and a 'Cluster of Clusters' Hub. The Design Park intends to provide facilities for the expansion of skills development in the design and informatics disciplines, a testing ground for design products and services and an exhibition space for showcasing and promoting design, and the Department is working in partnership with CPUIT in the development of this project. With respect to the 'Cluster of Clusters' Hub, the various sector SPVs of the Department are investigating the feasibility of co-locating SPVS within the Fringe, with the aim of synergising their activities and co-ordinating services, with an added emphasis of using design to improve the competitiveness of the various industries that the Department supports.

Air Access. The Air Access project seeks to increase and improve airline access into and out of Cape Town International Airport, specifically focusing on the establishment of new routes and increasing frequencies on existing routes to Africa. Working in partnership with the Airports Company of South Africa, who has contributed expertise and finances towards the project, the Department procured a service provider to conduct three business case studies for Ghanaian, Nigerian and Angolan routes. The results of these studies will be finalised in the latter part of 2013 and will provide the basis with which to engage airlines and relevant foreign governments to open routes.

Cape Town International Convention Centre Expansion. This project is aimed at extending the CTICC's capacity to accommodate additional and/or larger conventions, events and exhibitions in Cape Town, leading to increased business tourism into the region. Besides the considerable co-ordination support provided by the Department with respect to provincial stakeholders and with the City of Cape Town, 2012/13 marked the tabling of the Amendment Bill of the Convenco Act 8 of 2000. This Amendment Bill was passed by the House with one objection logged and then signed off by the Premier.

Port of Cape Town and Surrounds. With the project revolving around integrated planning for the spatial development in the Port Precinct of the City of Cape Town, huge strides were made towards improving the institutional environment required for joint collaboration. To this end, the Transnet-Western Cape Strategic Planning Forum has been established to play a co-operative engagement and planning role for key projects and a specific Workstream, comprising of Transnet, WCG and City of Cape Town, has been set up to drive seven major action items from which major projects are likely to flow.

Cape Health Technology Park. The Park, which is to be located in the Pinelands area, intends to establish a cluster of health technology and related organisations and businesses to capitalise on Cape Town's comparative advantages in the field and to leverage off market opportunities in Africa. The Phase 1 feasibility study was completed, with additional investigations conducted in the relocation of a government facility to accommodate the Park. The next step will be to obtain approval from the leadership in the three spheres of government for approval to proceed to the next stage of the project preparation to commence construction in 2014/15.

Strategic objectives

Trade and Sector Development					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 3.1: Trade and Investment Promotion					
Value of investments and trade	R1.241bn	R765m to R1.2bn	R1.659bn	R459m	The deviation is due to higher than expected investment from the manufacturing and energy sectors.
Number of jobs facilitated/sustained	1 313	765 to 1200	1 473	273	More labour intensive investments resulted in increased jobs.
Sub-programme 3.2: Sector Development					
Value of funding / support leveraged	R 29.438m	R16.2m	R124.244m	R108.044m	The deviation is due to the leveraging of funding for the renewable energy training centre.
Value of investment and trade facilitated	R1.879bn	R1.550bn	R2.250bn	R700m	Due to the successful introduction of major projects in the renewables and BPO sectors.
Number of jobs facilitated/sustained	4 245	6 450	20 566	14 116	This was due to the exceptionally strong performance of the oil and gas and BPO sectors.
Number of member firms benefitting from platforms facilitated	–	541	–	(541)	The time period to undertake a firm-level survey was underestimated and therefore was not possible in the timeframes of the reporting process.
Number of assisted businesses expanded	–	170	38	(132)	The time period to undertake a firm-level survey was underestimated and therefore was not possible in the timeframes of the reporting process.
Rand value of cost saving	–	R5m	R11.789m	R6.789m	The target was set based on prior year achievements and the target was overachieved following a better than expected return on a successful programme.

Trade and Sector Development					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Value of ship/rig repair	–	R1bn	R1.100bn	R100m	The Oil and Gas industry had a better than expected year.
Rand value of exports	–	R750 000	R7.141m	R6.391m	Strong demand from Africa.
Salary contribution to GDPR	–	–	–	–	–
Sub-programme 3.3: Strategic Initiatives					
Number of jobs facilitated/ sustained	–	–	–	–	–
Value of infrastructure investment	–	–	–	–	–

Performance indicators

Trade and Sector Development					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 3.1: Trade and Investment Promotion					
Number of trade and investments projects realised	10	10	6	(4)	The global environment for foreign investment is still weak and was exacerbated by domestic instability.
Number of businesses assisted with exports	742	400	645	245	Strong demand from the export community.
Number of new investment projects in the pipeline	65	27	40	13	A healthy pipeline, possibly due to the interest in Africa.
Number of interventions/projects realised with SDAs	11	20	28	8	Due to better working relationships across the field.
Sub-programme 3.2: Sector Development					
Number of people trained	38	330	416	86	The over achievement was due to higher demand in the Clothing, Honeybush and ICT sectors.
Number of businesses assisted	1 760	445	445	–	–

Trade and Sector Development					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Number of trade and investment projects realised	17	10	24	14	Due to the exceptional performance of oil and gas and BPO.
Number of information platforms facilitated	–	104	118	14	High levels of activities of the SPVs.
Number of partnerships established	–	5	8	3	This reflects the high degree of collaboration among the SPVs and their partners.
Number of investments facilitated	–	3	2	(1)	Delays in the rollout of the REBID process meant that the WC had fewer prospects than expected.
Number of sector intelligence reports/ research/catalogues delivered	–	6	6	–	–
Number of businesses assisted with exports	–	40	61	21	Due to the higher than expected demand in the oil and gas and fine food sectors.
Sub-programme 3.3: Strategic Initiatives					
Number of people trained	–	–	–	–	–
Number of infrastructure projects supported	10	6	7	1	The Sub-programme was responsive to the need of support for the 7th project.

Strategy to overcome areas of under performance

Part of the under-performance is due to factors beyond the control of the provincial government, such as the delays in the REBID process, the number of investors committing to a project, and the challenges concerning SAQA approval of new skills programmes.

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2012/2013			2011/2012		
	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
Trade and Investment Promotion	18 500	18 500	–	14 956	14 956	–
Sector Development	45 083	44 803	280	35 616	35 577	39
Strategic Initiatives	37 571	36 871	700	16 854	16 183	671
Management: Trade and Sector Development	1 122	1 122	–	1 830	1 821	9
Total	102 276	101 296	980	69 256	68 537	719

5.4 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

Sub-programme 4.1: Regulation Services

Sub-programme 4.2: Consumer Protection

Sub-programme 4.3: Liquor Regulation

Strategic Objectives for the financial year under review

- An effective provincial trading environment facilitated through a reduction in regulatory barriers and inhibiting compliance requirements;
- A business environment that reflects high levels of consumer rights awareness by a majority of the Western Cape population and business community, supported by effective complaints management and resolution mechanisms; and
- A regulatory environment that reflects high levels of participation by the public, a maximising of the benefits of the liquor industry for the Province and its people and a minimising of its negative effects through increased awareness, reduced availability of liquor and better law enforcement.

Strategic objectives, performance indicators planned targets and actual achievements

The 2012/13 financial year has seen the OCP make considerable strides in enhancing and refining its service offerings and thereby improving the interface between clients and the Department. The various performance related reports on the strategic objectives and performance indicators are clarified below:

Regulatory barriers

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 PSO1. In terms of Provincial Strategic Objective 1, which is: "Creating Opportunities for Jobs and Growth" 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. In the year under review the programme had the target of identifying and addressing two barriers that were deemed to be inhibitive. In this regard, it should be noted that the unit has, as part of the Department's process of evaluating proposed legislation, identified certain proposed legislative amendments that were or would constitute barriers to business growth and development. The impact of these barriers was subsequently identified and an assessment of this impact submitted to the relevant national structure for consideration. It must however be noted that the escalation to both provincial and national authorities of these identified matters, has now become the mandate and function of the departmental Red Tape Reduction Unit.

Consumer Redress Services

The financial year under review has seen the OCP continuing to work towards its objective of becoming a trusted consumer dispute resolution authority for consumers within the province. The OCP has therefore maintained its free dispute resolution service to members of the public within the province and this has seen extensive numbers of consumer complaints recorded at the office for inquiry. The Western Cape OCP continues to be one of the provincial authorities, which receives, investigates and resolves the largest number of cases among the provinces. The large volume of cases logged can therefore be claimed to be a direct result of the confidence displayed among citizens in utilising the service offerings of the OCP. In addition, the implementation of a statutory redress service via the Western Cape Consumer Affairs Tribunal (WCCAT) has also become a realisation during the financial year under review. This development has resulted in the OCP utilising the WCCAT as a mechanism through which the resolution of matters could be escalated. This is a significant achievement, since it offers consumers the opportunity to obtain adjudication on an unresolved dispute, which is within the jurisdiction of the OCP and the WCCAT. The positive results yielded by the complaints management team of the OCP has therefore had a direct bearing on the achievement of set targets.

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 2012/13 financial year. This performance indicator relates to the financial saving that accrues to a consumer due to the OCP's intervention. The criteria used to determine the financial saving was one proposed by the national Department of Trade and Industry and subsequently adopted by all provincial consumer protection authorities. In terms of this specific outcome indicator, the intervention by the OCP in complaints lodged at its office has directly saved the affected consumers a total of just over **R5 million**. This amount is an overachievement of the target set but can be directly attributed to the increase in the number of complaints that were received by the OCP. The increase in case volumes have naturally led to an increased opportunity to resolve more cases and thereby save more money for consumers.

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 into the OCP's equation, it stands to reason that the actual financial saving to the consumer would be far higher than the recorded amount. It is however undeniable that the impact made by the OCP in the lives of ordinary consumers is clearly visible by way of this specific indicator.

As part of the evaluation of the impact of the OCP's services within complaints management, it was decided to measure the percentage of consumers indicating satisfaction with the level and standard of service provided by OCP. The results of such an assessment would provide an indication if the OCP was indeed providing valuable assistance to citizens in the province. The survey results have indicated an overachievement of this target. This achievement is notable, especially in light of the challenges faced by the OCP as far as complaints management was concerned. As will be noted from the information in this report, the OCP has received an influx of consumer complaints as a result of the public interest around the Consumer Protection Act. This directly led to pressure on the existing resources within the OCP to manage and resolve matters as speedily as possible. In addition to the increase in volume the limitations on the mandate of the OCP as provided for in the Consumer Protection Act (CPA), also makes this achievement commendable. In terms of the CPA certain matters are exclusively within the domain and mandate of the National Consumer Commission and provincial authorities like the OCP only have a specific mandate. The satisfaction levels achieved must therefore be seen in this context and the achievement is more than satisfactory.

Consumer awareness levels

The year under review has seen the OCP's consumer education and awareness unit continuing its excellent work with communities, business, NPOs/NGOs, faith based organisations, government departments and other interested stakeholders. The primary mandate of the consumer education unit is to enhance the level of awareness among 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 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 among 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 very positive results were achieved. In this regard, the survey results have demonstrated that a commendable increase in awareness levels 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 strategic partnerships 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.

One of the other outcomes set by the OCP was to measure the percentage of consumers indicating a change in financial behaviour subsequent to OCP intervention. A key focus area of the consumer education campaigns

that were conducted during the period under review related to the issue of financial literacy and the need to empower vulnerable consumers on this topic. This specific project was a continuation of an initiative begun in the preceding year. As this was a continuation of an existing project, it was deemed appropriate to have an outcome indicator, which measured the success of the intervention so as to measure the impact. In order to measure the impact, an evaluation was therefore conducted among consumers who attended the various initiatives to determine how many attendees recorded an actual change in their financial management behaviour because of the initiatives conducted by the OCP. This evaluation has shown that a large volume of attendees of this programme has recorded a positive change in their financial management behaviour.

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 statutory bodies responsible for consumer protection as well as non-government organisations. Some of the important non-government partnerships included:

Consumer Goods Council of South Africa: A strategic partnership was concluded with the Consumer Goods Council of South Africa as far as mediating and negotiating complaints against their members was concerned. This partnership has yielded extremely positive results since the vast majority of complaints involving their members were resolved satisfactorily resulting in a benefit to the consumer. This has assisted greatly in reducing the strain on the resources of the OCP, since matters were effectively resolved on a joint basis. This partnership will be continued in the new financial year.

The Banking Sector: The OCP has developed a working relationship with a number of the major banks in South Africa. The primary focus of these partnerships is the enhancement of basic financial literacy among citizens of the Western Cape. This partnership has resulted in sustained campaigns on financial literacy been conducted across the province.

Cape Peninsula University of Technology: This Institution of Higher Education has become a valuable partner to the OCP within the arena of community engagement and so-called service learning. The concept of service learning is based on the notion of providing students with an opportunity to implement their theoretical knowledge on a practical basis within communities. This has seen students of different vocations engaging in community outreach campaigns.

Schools and Faith Based Organisations: Consumer Studies forms part of the curriculum of learners within the economics stream at schools. As a result, partnerships with numerous schools across the province has been established in terms of which workshops/information campaigns were conducted with learners in this particular stream. Similarly, the management of various faith-based organisations have indicated a need to partner with the OCP, to provide its members with various knowledge tools, especially within the financial literacy environment.

Consumer Protection Forum: This Forum is an association of all provincial consumer protection authorities and selected regulatory authorities within the country. The focus of this partnership is to ensure that there is a co-ordinated approach and response to consumer protection matters on a national level.

Liquor Regulation

The 2012/13 financial year saw the implementation of the Western Cape Liquor Act 4 of 2008. The Western Cape Liquor Board was renamed the Western Cape Liquor Authority (WCLA). The Governing Board of the WCLA was appointed on 12 March 2012. This enabled the Board to put in place the necessary framework, which allowed for the operationalisation of the WCLA. It included governance and compliance frameworks such as HR policies, Financial Management policies as well as the appointments of the Liquor Licensing Tribunal and the Chief Executive Officer. During the 2012/13 financial year, the WCLA filled most of its posts as per the organogram developed by Organisational Development (within the Department of the Premier) and approved by Cabinet. Seconded staff from the Department of Economic Development and Tourism (DEDAT) were absorbed back into the Department by 1 April 2013. A Standard Operating Procedure and an implementation plan to address previous liquor license backlogs was formulated and approved by the Governing Board and implemented by the the CEO.

The WCLA achieved the following during the financial year:

- The licencing unit delivered on all its APP targets with the assistance of the Department as required. The annual target in the APP for the number of applications received totalled 3 364 and greatly surpassed its target of 1 500. The number of licenses issued totalled 916, also surpassing the target of 500.
- The Compliance Unit experienced process and output improvements during the 2012/2013 financial year. Inspections were conducted to ensure greater compliance with licence conditions among licence holders. The unit exceeded its target relating to the number of inspections conducted by 404, boasting a total of 2 404 inspections conducted for the 2012/13 financial year.
- The Advocacy and Awareness Unit continued its campaign to educate all stakeholders, particularly existing licence holders, SAPS and the general public on the implications of the new Western Cape Liquor Act 4 of 2008. This was done via information sessions and workshops, together with community police forums, the South African Police Services, other government departments and industry members. These sessions took place throughout the Western Cape and resulted in 123 information sessions being conducted in partnership with relevant stakeholders.
- The Business Support Unit ensured that the daily business operations of the Liquor Authority was sustained. This included ensuring effective and efficient Financial Management and Human Resource Management processes, with a well-organised registry service and an IT Infrastructure System in place.
- The WCLA successfully hosted the Western Cape Liquor Conference, which saw relevant stakeholders convene to discuss, debate and provide input to future engagements. Topical issues were discussed and reported on.

Strategic objectives

Business Regulation and Governance					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 4.1: Regulation Services					
Number of identified regulatory barriers reduced	–	2	2	–	–
Sub-programme 4.2: Consumer Protection					
Awareness levels	14%	30%	92% (463 persons surveyed)	62%	The topical interest on consumer rights issues has played a role in the increase in awareness levels among consumers. This topical interest has also resulted in wide scale media interest and reports on a variety of issues, including the role and function of the provincial office. This has led to more consumers becoming aware of the provincial office. In addition, sustained education campaigns have been conducted with a variety of stakeholders across the province, with the specific intention of increasing the awareness levels among citizens. The results indicate that the co-ordinated approach has had a positive impact.
Number of strategic consumer NGO partnerships established	20	20	22	2	The increase in the number of consumer awareness programmes conducted by the OCP has directly led to the strengthening of partnerships between the OCP and other relevant stakeholders. As a result, additional strategic partnerships were established.

Business Regulation and Governance

Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Monetary value saving to consumers	R2.9m	R3m	R5m	R2m	The increased case volume has presented further opportunities to assist consumers. The natural result of the increased resolutions has been an increase in the Rand value amount saved by consumers. The prediction of case numbers, resolutions and Rand value savings is therefore difficult to predict, since a number of factors external of the Department's control will have an impact. The increase must therefore be seen in this context.
Percentage of consumers indicating satisfaction with the level and standard of service provided by OCP	51%	50%	83% (217 persons surveyed)	33%	The increase in the satisfaction percentage among consumers is extremely positive and can be directly attributed to the enhancements in service delivery introduced within the OCP. This included partnering with relevant stakeholders in an effort to jointly address complaints within sectors related to the strategic partners. As an example, the partnership with the Consumer Goods Council of South Africa (CGCSA) has yielded positive results as far as resolving complaints within the consumer goods retail and manufacturing sector.

Business Regulation and Governance					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Percentage of consumers indicating a change in financial behaviour subsequent to OCP intervention	0%	30%	93% (200 persons surveyed)	63%	The increased percentage change in financial behaviour of consumers who have participated in the OCP's engagements, can partly be attributed to the recognition among indebted consumers that the only manner to resolve their situation is by changing their financial behaviour.
Sub-programme 4.3: Liquor Regulation					
Percentage of liquor outlets licensed	30% (baseline: 28 000)	32.6% (baseline: 26000)	30.23%	(2.37%)	Lower than expected number of outlets approached the WCLA for approval of licenses.

Performance indicators

Business Regulation and Governance					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 4.1: Regulation Services					
Number of barriers identified	0	2	2	-	-
Number of barriers addressed	0	2	2	-	-
Sub-programme 4.2: Consumer Protection					
Number of consumer education programmes conducted	203	200	275	75	The OCP has a statutory obligation to accommodate as many requests that are received for consumer education programmes. As such, numerous

Business Regulation and Governance

Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
					engagements were conducted after hours and during the weekends in order to meet demand.
Number of complaints received	14 179	12 000	15 597	3 597	The continued topical interest related to the Consumer Protection Act has resulted in more disputes being lodged than anticipated. The OCP was therefore under a statutory obligation to investigate the additional cases logged.
Number of complaints resolved	8 728	9 000	19 039	10 039	The increase in the number of complaints received has directly led to the number of complaints resolved being exceeded.
Number of complaints forwarded to the tribunal for consideration	0	100	149	49	Due to the higher than expected number of complex cases received.
Number of consumer education publications developed	–	10	10	–	–
Number of regional offices operationalised	3	4	3	(1)	The Department resolved that due to operational reasons a formal office will not be established in the Central Karoo region. This region was however serviced by head office staff and the co-ordinator for the S Cape/Eden region.
Number of research reports concluded	–	2	2	–	–
Number of financial literacy workshops conducted	100	60	84	24	The demand in financial literacy workshops continue to increase due to financial problems being experienced globally. The OCP had to respond

Business Regulation and Governance

Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
					positively to these requests. The OCP accepted invitations and some of the workshops were conducted after hours and during weekends.
Number of attendees at financial literacy workshops	4 069	1 000	2 509	1 509	The demand in financial literacy has seen the increase in the number of people attending arranged sessions. The OCP is obligated to accept large numbers of consumers in each workshop to deal with the increase in demand.
Sub-programme 4.3: Liquor Regulation					
Number of applications received (new licences and secondary applications)	2 456	1 500	3 364	1 864	This target was based on the assumption that the number of applications received would increase substantially due to applicants from the informal sector lodging applications before the implementation of the new Act.
Number of licences issued	1 172	500	916	416	The increase in the number of licences issued can be attributed to increased Board sittings.
Number of awareness interventions conducted	103	100	123	23	The Advocacy and Awareness unit continued its campaign to educate all stakeholders, particularly existing licence holders, SAPS and the general public on the implications of the newly implemented Western Cape Liquor Act 4 of 2008.

Business Regulation and Governance

Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Number of people reached through awareness programme interventions	1 695	800	1 212	412	The Advocacy and Awareness unit continued its campaign to educate all stakeholders, particularly existing licence holders, SAPS and the general public on the implications of the newly implemented Western Cape Liquor Act 4 of 2008.
Number of inspections conducted	2 306	2 000	2 404	404	A work programme of all inspections to be conducted was completed in advance and strictly adhered to which ensured that inspections and blitz sessions were conducted.
Number of social responsibility programmes conducted	–	–	–	–	–

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2012/2013			2011/2012		
	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
Governance	–	–	–	–	–	–
Regulation	–	–	–	–	–	–
Consumer Protection	9 846	9 795	51	9 688	9 688	–
Liquor Regulation	25 025	25 025	–	9 333	9 333	–
Total	34 871	34 820	51	19 021	19 021	–

5.5 Programme 5: Economic Planning

Purpose

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

Programme Structure

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: Management

Strategic Objectives for the Financial Year under Review

- Strengthening institutional governance for improved service delivery; and
- Providing research that informs the strategic objective of the Department.

Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

Co-ordination of Strategic Planning Processes

In facilitating the strategic goals and objectives and ensuring they are translated into departmental policies, programmes and projects aligned to Strategic Objective 1, the Programme's main outcome objective was the translation of the Provincial Medium Term Strategic Framework into a coherent strategy for the Province. Using Provincial Strategic Objective 1 as the basis and departure point as endorsed by the Provincial Cabinet in 2011, **OneCape 2040** was drafted to give effect to the vision of PSO 1, and provide an action plan for the Province's overall economic development. **OneCape 2040** is an ongoing and evolving strategy, managed by the Economic Development Partnership, and endorsed by the Provincial Cabinet in November 2012, which attempts to stimulate a transition towards a more inclusive and resilient economic future for the Western Cape, seeking to set a common direction to guide planning and action towards long-term progress.

The Province's Strategic Agenda was developed in 2011 and in the 2012/13 financial year the Department put its mandate of Strategic Objective 1 into operation, through the development of pertinent and applicable economic strategies, i.e. **OneCape 2040** and the **Economic Synthesis Report**.

The **OneCape 2040** vision is to develop "a resilient, inclusive and competitive Western Cape with higher rates of employment, producing growing incomes, greater equality and an improved quality of life." To implement this vision, **OneCape** is already involved in a number of key projects and programmes focusing on employment, investment, enterprise and innovation.

The objective of the **Economic Synthesis Report** was to generate "a deep understanding of the policy environment within which a provincial economy operates, coupled with a deep understanding of the Western Cape's macro-economy, which is needed to identify and quantify the activities that the provincial government should engage in to ensure that the economic vision of PSO1 is attained." The report addressed the macro-economy of the Province and what, in terms of policy, the provincial government can do to have an impact on the macro-economy, including recommendations to unlock the Province's comparative advantage. The report will form the basis for an economic strategy for the Province.

To ensure policy and strategy alignment, the unit reviewed national and provincial policies and strategies. These included, inter alia, the Regional Industrial Development Plan, the DTI's Industrial Development Plan, the National Planning Commission's National Development Plan, Proposed Amendments to the BBBEE Legislative Framework and a Two Year Report on the implementation of the New Growth Path.

The Programme directed and consolidated the **Management Performance Assessment Tool (MPAT)** exercise for national government, to monitor and improve the Department's administration and governance and validated the Department's score rating of 3.

Economic Development Partnership Legislation

The unit also initiated and guided draft legislation, enabling the provincial government to become a member of the Economic Development Partnership. This legislation will be submitted to Cabinet for endorsement in 2013/14.

Co-ordination of Transversal Management System

The Transversal Management System was devised to co-ordinate and administer provincial strategic projects that encompass more than a single provincial department, to ensure that these projects are optimally managed and directed. The Steering Committee and Working Groups were successfully co-ordinated and quarterly meetings held.

Management of High-level Strategic Projects through the Executive Dashboard

The unit monitors the Department's activities at a strategic level to ensure alignment of programmes and projects within the broader departmental and provincial strategic agenda. This is done by means of the Executive Projects Dashboard, which tracks the performance of the Department's strategic projects. The unit successfully loaded and monitored all departmental strategic projects on the Dashboard and issued quarterly reports on progress achieved.

Research and Development

The sub-programme aims to be established and recognised as the repository of credible provincial economic intelligence. The aim of research and development is to support departmental programmes to make evidence-based decisions that will promote achieving the objectives of creating opportunities for growth and jobs, as outlined in PSO1.

During the 2012/13 financial year, the Department set itself the goal of developing and providing sound economic intelligence. The Research and Development sub-programme's performance with regard to associated sub-goals is outlined below.

Tracking and Analysis of Macro-economic Developments

The Department successfully completed the Economic Synthesis Report to understand the Western Cape's macro-economy, which enabled the Department to identify and quantify the Province's comparative advantage. As part of the Synthesis Report, the Department completed five economic position papers, i.e. the labour market, agri-processing, provincial competence and SMMEs, and the informal sector.

Production of Up-to-Date and Reliable Statistics and Economic Indicators for the Province

The Department, in partnership with the BER, produced a quarterly report on the state and prospects of the South African and Western Cape economies. This report was shared widely with entrepreneurs and business people in the Province at an event held in Langa in July 2012.

Creation and Maintenance of an Economic Model to Produce Up to Date Statistical Data

The scoping of the required economic model has been completed and development and procurement of the model will be completed in the 2013/14 financial year.

Sector-Based Research, including Sector Skills Gap

During the year under review the research unit completed the following sector research studies:

- Ostrich study
- Career guidance research
- Provincial artisan study
- Sector baseline research
- Mapping of the renewable energy sector

The above research will be used in the development of the economic strategy for the Province.

Knowledge and Information Management

The purpose of this sub-programme is to ensure that information relevant to the execution of the Department's economic development mandate is made available timeously to departmental users, by using proper design sourcing, storage and dissemination technologies. The information should be relevant to the development of the provincial economy within the national agenda.

Development and Maintenance of a Reliable System for Storing Economic Information

During the year under review, the unit implemented SharePoint with a view to continuously improve gathering, storing and disseminating processed information. This system enabled the Department to store information from reputable economic statistical databases. This information was synthesised and shared through departmental learning networks that were facilitated by the unit.

Implementation of Enterprise Content Management

During the year under review the Department implemented e-filing, whereby departmental files were scanned and stored in SharePoint for safekeeping and easy retrieval. As a result of the success of the first phase, e-filing will be implemented throughout the Department in the 2013/14 financial year.

Monitoring and Evaluation

The overall purpose of this sub-programme is to determine the effectiveness and impact of departmental strategies (through measurement of programmes and projects). This can only be achieved through an increased focus on outcome measurement. The results-based M&E system is constructed within the strategic management processes and the focus is on the establishment of outputs and outcomes.

During the year under review, the sub-programme successfully implemented the following initiatives.

M&E Data Management

The sub-programme participated in the introduction of the business intelligence (BI) initiative, with the aim of strengthening data management processes and putting in place data quality assurance. The sub-programme assessed the applicability of provincial information systems to the information management needs of the Department. The results of this process resulted in the Department not only identifying the applicable system for its business, but also testing some of it in its 2012/13 performance monitoring and evaluation activities.

Transversal Departmental Outcome Measurement

During the year under review, the unit tracked the key strategic outcomes, where data was gathered, analysed and juxtaposed against the actual performance against set targets. In this regard, the information pertaining to the four major areas, i.e. opportunities for growth, jobs, funds leveraged and SMME expanded, was gathered analysed and reported to demonstrate the departmental performance.

Undertaking of Outcome and Impact Evaluation of Strategic Projects, Programmes and Initiatives

During the year under review, the unit successfully conducted five outcome evaluations of strategic projects to assess performance against set outcomes, i.e. growth and jobs. The evaluation reports provided an objective level of performance of each project and the extent to which it is contributing to the set outcomes. The results also revealed areas of best practice that obviously will be communicated and celebrated, as well as areas of improvements and early warning systems that will form the improvement plan for the projects.

Monitoring and Evaluation Expertise Support across the DEDAT

As part of the core function of the unit, during the year under review it provided expert advice to all line function programmes on project monitoring. Furthermore, the unit facilitated M&E plans for a total of five programmes. In addition, the unit supported project managers in implementing their project plans by developing tools and, in some instances, participating in fieldwork.

Partnerships with Research Institutions

During the year under review, the unit forged a strong relationship with the University of Stellenbosch's Monitoring and Evaluation programme. To demonstrate this relationship, a postgraduate student spent two months in the Department, assisting the unit in monitoring and evaluating financial literacy projects.

Economic Development Partnership

Mandated by Provincial Strategic Objective 1: Creating opportunities for growth and jobs, the Western Cape Economic Development Partnership (EDP) was established and registered as a non-profit company, as defined by the New Companies Act (2010) and launched by the Premier in April 2012. The EDP Board, chaired by Barbara Hogan, was appointed in October. The aim of the EDP is to lead, co-ordinate and drive the Western Cape economic development system to achieve greater levels of inclusive growth.

The EDP achieved and established the following in its first year of operation:

- **Paths to Investment programme**, the cornerstone of which is currently the development of the Regional Economic Performance Index (Regional EPI), as a means to measure regional economic performance that looks beyond the GDP. The launch of the Regional EPI is set to be 16 April 2013.
- **Paths to Employment programme**, the focus of which has been to co-ordinate applications to the Jobs Fund: A Schools Support Programme, which will ultimately see 10 000 job opportunities rolled out over three years as support services to 414 of the poorest schools in the Western Cape.
- **Paths to Enterprise programme**, a joint proposal with a Green Economy theme that aims to build on a successful pilot delivered by the City of Cape Town, to reframe the Sustainable Livelihood project into an enterprise support proposition, which will directly unlock jobs in the market. The project size is estimated to be R100 million, impacting over 50 000 households in underserved areas, with a potential to roll out in similar neighbourhoods at a later stage.
- **Paths to Innovation:** to establish and maintain a Regional Innovation System.
- **Regional Economic Development Leadership Course** in partnership with the University of Cape Town's Graduate School of Development Policy and Practice and the Technical Assistance Unit (TAU) at National Treasury.
- **Economies of Regional Learning Network (ERLN):** the fourth regional gathering of the ERLN was held in Cape Town from 5-6 March under the over-arching theme of "Regional competitiveness and its meaning and measurement".
- **Regional Economic Performance Index**, incorporating three sub-components, which measure economic competitiveness, inclusiveness and resilience. A draft REPI has been released.

Strategic objectives

Economic Planning					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 5.1: Policy and Planning					
Updated Provincial Economic Development Strategy.	1	1	1	-	-
Sub-programme 5.2: Research and Development					
Established and recognised as the repository of credible provincial economic intelligence.	-	Fully functioning research unit	Fully functioning research unit	-	-
Sub-programme 5.3: Knowledge Management					
Level of staff awareness increased. (252 staff members)	87% of staff informed and effective - to be measured by internal annual survey.	176	109	(67)	Fewer staff members responded to electronic surveys conducted than anticipated.
Sub-programme 5.4: Monitoring and Evaluation					
100% Monitoring and Evaluation results utilised	83% learning results utilised throughout the Department	100 % Monitoring and Evaluation results utilised	95% Monitoring and Evaluation results utilised	(5%)	A 5% deviation was recorded due to circumstances beyond the unit's control, such as the cessation of projects and the fact that some projects were transversal and the Department had no mandate to implement results outside its own scope.
Sub-programme 5.5: Management					
Updated Provincial Economic Development Strategy	-	1	1	-	-

Performance indicators

Economic Planning					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 5.1: Policy and Planning					
Number of economic strategies developed	9	2	2	-	-
Number of economic strategies reviewed	4	4	7	3	Over-achievement came about as a result of new policies and strategies emanating from national government – the DTI, National Planning Commission and Economic Development Department.
Number of strategic planning sessions	3	2	2	-	-
Number of Quarterly Project Dashboard Analysis	4 Quarterly Reports	4	4	-	-
Number of meetings (transversal management system)	-	4	4	-	-
Sub-programme 5.2: Research and Development					
Number of research reports compiled	11	10	15	5	The need for additional research arose due to the review of the Department's strategic plan during the year.
Number of Research and Development initiatives supported	1	1	1	-	-
Sub-programme 5.3: Knowledge Management					
Number of provincial economic intelligence reports produced	4	4	4	-	-
Fully functioning resource centre	100 % functioning resource centre	100 % functioning resource centre	100% fully functioning resource centre	-	-
Fully functioning e-filing in accordance with Provincial guidelines	-	Establishment of e-filing system within the Department	Establishment of e-filing system within the Department	-	-
Number of learning networks facilitated	4	4	4	-	-

Economic Planning					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 5.4: Monitoring and Evaluation					
Number of monitoring reports produced	11	10	11	1	Over-achievement of target was the result of additional requests for monitoring from programmes
Number of evaluation reports produced	6	5	5	-	-
Management of a M&E Framework	Development of draft M&E framework system	Pilot the M&E data management system	-	-	Various systems have been investigated and reviewed. However, this was put on hold as the Department is awaiting DOTP's system for M&E
Number of transversal outcome reports produced	-	4	4	-	-
Number of sub-programme M&E plans developed	-	4	5	1	Over-achievement of target was due to more programmes adopting M&E processes than originally envisaged
Sub-Programme 5.5: Management					
Number of support initiatives to Economic Development Partnership	-	4	4	-	-

Strategy to overcome areas of under performance

Introduction of the Monitoring and Evaluation Learning Network will assess the implementation of monitoring and evaluation results on a quarterly basis. As part of this, Programmes will be asked to develop and implement plans to address utilising results of all monitoring and evaluation exercises.

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2012/2013			2011/2012		
	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
Policy and Planning	9 555	9 547	8	1 294	1 294	–
Research and Development	6 805	6 805	–	4 167	4 155	12
Knowledge Management	3 014	3 009	5	2 611	2 515	96
Monitoring and Evaluation	2 644	2 644	–	2 116	2 115	1
Management	2 742	2 732	10	4 744	4 715	29
Total	24 760	24 737	23	14 932	14 794	138

5.6 Programme 6: Tourism, Arts and Entertainment

Purpose

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

Programme Structure

Sub-programme 6.1: Management: Tourism, Arts and Entertainment

Sub-programme 6.2: Tourism Growth

Sub-programme 6.3: Tourism Participation

Sub-programme 6.4: Destination Marketing Organisation (DMO)

Sub-programme 6.5: Commercial Arts and Entertainment

Strategic objectives for the financial year under review

- To achieve global best practice in public sector organisation delivery;
- The achievement of above average sustainable economic growth (measured by output and by value), which gives rise to significant numbers of new sustainable employment opportunities;
- The achievement of a situation in which opportunity exists for participating in the economy, through employment and business ownership, for all who seek such opportunity; and
- The achievement of above average sustainable economic growth (measured by output and by value), which gives rise to significant numbers of new sustainable employment opportunities.

Strategic objectives, performance indicators, planned targets and actual achievements

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

The Tourism outcomes are aligned to the elements in the National Tourism Budget Structure (National Treasury) and the National Tourism Sector Strategy (NTSS), which is being legislated. Delivery in tourism will ensure that reporting can take place at national level, as will be required.

Public sector interventions in the tourism industry in the Western Cape are effected through the activities of tourism marketing, tourism development and tourism regulation. The strategic direction and policy imperatives for tourism as a whole, are set out by the Department. Tourism development and tourism regulation were implemented by the Department in the 2012/13 financial year. Tourism Destination Marketing was implemented by Wesgro.

Tourism destination performance

On a global scale, international tourism has shown remarkable performance, as predicted by United Nations World Tourism Organisation (UNWTO), international tourist arrivals increased by 4% in 2012, surpassing the record 1 billion tourists for the first time in history. According to the January 2013 issue of the UNWTO World Tourism Barometer, an additional 39 million tourists were recorded globally, reaching a significant total of 1 035 million in 2012, up from 996 million in 2011, and driven by the robust growth from Asia and the Pacific, which achieved the highest (7%) growth among all the regions.

Despite the ongoing economic challenges, international tourist arrivals has shown sustained global growth. Forecasts from UNWTO show that arrivals worldwide is expected to continue in 2013 at a similar pace (3% to 4%), aligned to the UNWTO's long-term outlook Tourism Towards 2030.

South Africa received a total of 9 188 368 international tourists arrivals in 2012, representing a 10.2% growth when compared to the 8 339 354 tourists who travelled to the country in 2011. South Africa's tourist growth rate in 2012 was more than double the rate of average global tourist growth of about 4% as estimated by the UNWTO in 2012.

The Total Foreign Direct Spend (TFDS) from tourists visiting South Africa for the period January to September 2012, reached R55,7 billion, reflecting a 7,7% increase from the R51,7 billion recorded across the same period of 2011.

Europe remained the highest source of overseas tourists to South Africa, growing by 9,5% on 2011 figures and attracting a total of 1 396 978 tourists to the country last year – more than half the total number of overseas tourists. The United Kingdom continues to be South Africa's biggest overseas tourism market, with 438 023 UK tourists travelling to South Africa in 2012 (4,2% up on 2011 figures). The United States is South Africa's second biggest overseas tourism market, with 326 643 tourists from the USA visiting in 2012 (up 13,6% on 2011 figures), with Germany the third biggest overseas market with 266 333 tourists (up 13% on 2011 figures). China has become South Africa's fourth biggest overseas tourism market, 132 334 (up 55,9% on 2011 figures), with France now South Africa's fifth biggest overseas tourism market, with 122 244 tourists in 2012 (up 16% on 2011 figures). Particularly strong growth was recorded in 2012 from Asia (up 33,7% on the figures recorded in 2011), driven by growth from China and India, and Central and South America (up 37%), thanks to continued good tourist growth from Brazil.

For the first three quarters of 2012 (January to September 2012), the Western Cape received 965 587 tourist arrivals and reached a Total Foreign Direct Spend of R13,4 billion across the same period.

In the first quarter of 2012 the Western Cape received 426 348 tourist arrivals, representing a 12,3% growth when compared to the 379 579 tourist arrivals recorded during the first quarter of 2011. The estimated Total Foreign Direct Spend (TFDS; excluding capital expenditure) during the first quarter of 2012 in the Western Cape, was R5,1 billion, which represents a 2% growth compared to the R5 billion worth of spend received during the first quarter of 2011. The number of bed nights spent by tourists during the first quarter of 2012 in the Western Cape was 4 611 754, compared to the 4 541 643 bed nights during the first quarter of 2011, representing a 1,5% growth. The total number of domestic trips in the Western Cape during the first quarter of 2012 was 448 000, which represents a 36,4% decline when compared to the 704 000 domestic trips recorded in during the first quarter of 2011.⁶

Tourism, Arts and Entertainment Management

The Western Cape Tourism, Arts and Entertainment Partnership, which provides a mechanism for consultative governance, was maintained in the 2012/2013 financial year. The Tourism, Arts and Entertainment Management Unit provided secretariat support to the Partnership, which facilitated 25 engagements, with 602 members engaged. These engagements included plenary sessions for both tourism and film stakeholders, which were chaired by Minister Alan Winde. Key issues such as air access and collaborative tourism destination marketing between local, provincial and national government were raised and discussed in the Tourism plenary sessions. During the Film plenary meetings, critical issues such as the visa application process were addressed as well as improving transparency when dealing with funding applications. The Tourism HRD Sub-committee also held four meetings during the financial year regarding tourism human resource development matters.

Tourism Development

Growth in the tourism industry is focused on playing an aggressive and proactive role in the development of tourism niche markets, routes, infrastructure, sites, attractions and facilities, the environment in general as well as the expansion of tourism products. The Western Cape Tourism Development Plan emphasises a wider distribution of visitors throughout the Province and the identification of economic opportunities, especially with regard to local tourism development.

City to West Coast route development and site enhancement – Phase 1

The purpose of this project was to develop a route that forms part of the three-pronged tourism routes development project which is aimed at linking the City to the regions in the province. The route currently consists of four nodes, with room for more to be added in the future. The nodes are: !Khwa ttu, West Coast Fossil Park, Clanwilliam Living Landscape Project and Griqua Ratelgat.

Wesgro assisted the City to West Coast route development with a marketing plan for promotion. This was presented to the nodes in February 2013 and included the packaging of !Khwa ttu and the Fossil Park as part of the offering for the Jazz on the Rock festival that took place in February 2013. Wesgro will be working with these nodes throughout the 2013/14 financial year. Phase 2, which seeks to further develop the nodes in partnership with the National Department of Tourism (NDT), will be implemented in the 2013/14 financial year.

⁶Please note that the full-year figures for tourist arrivals to the Western Cape, Total Foreign Direct Spend (TFDS) as well as domestic trips, were not available at date of reporting, and anticipated to be released in June 2013 by South African Tourism.

!Khwa ttu

!Khwa ttu finalised the development of the trails and open air exhibition, which involved clearance of vegetation and the construction of places of interest (hot spots). It furthermore involved intensive plant research. Based on the research, exhibition labels were printed and attached to the most important plants along the trails. The labels also serve as markers for the trail. The second phase of the development of the trails explored the inclusion of a fourth trail exhibition, with particular focus on the possibility of enjoying the interaction with the natural resources and landscape. The exhibition trail was designed in a way that enables easy access from the visitor centre, from where the elevation provides ultimate views of the water. The main focus of this phase concentrated particularly on the design and printing of interpretive information boards, which guide visitors through the trails and outdoor exhibition.

West Coast Fossil Park

Fossil Park has upgraded the old mine building that is used as a "holding area" or what they call "halfway station" for groups before taking them to the excavations site. They will use it as a receiving area for groups and will have information on the excavations. Groups will be briefed there before being moved to the site itself. This building will complement development that will be carried out on the improvement of the whole area, which includes a new building for the excavation site.

Clanwilliam Living Landscape

Developments to date include the finalisation of the Time Garden, which contains planted examples of botanical materials known to have been used by pre-colonial San and found by systematic excavations of local archaeological sites. There are examples of plants eaten by local hunters and gatherers, plants used for medicinal purposes, plants used as firewood and bedding as well as plants selected for the manufacture of a range of artefacts. The guided tour around this developing garden is a curriculum in itself and an introduction to the ethno-botanical skills of San people. They have also finalised the development of the Time Path garden, which will augment the learning experience of visitors by displaying a representative set of stone artefacts, which illustrates the evolution of stone tool-using hunter-gatherers in the region.

Griqua Ratelgat

Ratelgat finalised the development of 33 mat houses for accommodation. These mat houses resemble those built by the Griquas in the old days and are used mostly for backpackers.

Culture and Heritage Products Audit tourism niche development

The Department finalised the Provincial Culture and Heritage strategy. The strategy is informed by recommendations provided in the audit that was conducted in July 2012. It is also aligned to the National Tourism Culture and Heritage Strategy. Extensive consultation with all the regions and other stakeholders were conducted during the process of the development of the strategy. Recommendations from the strategy will form part of the implementation of the Culture and Heritage niche product development in the 2013/2014 financial year. Recommendations include the four passes and ports route, rock art and fossil route and regional indabas.

Cape Agulhas

The second phase of the extension of the boardwalk and site enhancement features, such as signage and benches, were completed. A funding application to NDT has been made for the development of the iconic structure, which will add value to some of the developments that the Department has already done in partnership with SANParks.

False Bay Ecology Park

This project is in partnership with the City of Cape Town and the National Department of Tourism (R25 million leveraged). This project involves the rehabilitation of the False Bay Ecology Park, with a focus on the Zeekoevlei

Nature Reserve. The MOU was amended to allow the City of Cape Town to finalise procurement. It is envisaged that the project will be completed by June 2014.

Tourism Support Services

The Tourism Safety and Support Programme, now in its eighth year of implementation, responded to 23 incidents of tourists in distress. The Hout Bay tour boat incident, which could have been a lot worse had it not been for the exceptional work of the rescue services, received the most publicity. Over 10 000 tourism safety tips were distributed through 160 different organisations and tourism associations.

A total of 603 Quality Assurance minimum standard assessments were carried out by the Department at the request of the Local Tourism Organisations. After entering into an agreement with the Tourism Grading Council of South Africa (TGCSA), it was decided that to avoid duplication, the Department would phase out the Quality Assurance programme for minimum standards and promote star grading. To encourage non-star graded accommodation establishments that were on the departmental database to become star graded, free grading was offered by the TGCSA in the last quarter of the 2012/13 financial year. The Department will provide a subsidy to the establishments on the Department's database in the 2013/14 financial year to ensure a smooth transition into the star grading system of the TGCSA.

The Tourism Road Signage Framework continued to be implemented by the Regional Tourism Liaison Committees (RTLCS) in each region. Twelve meetings handled 61 new applications over and above 14 tourism audits and applications for Cape Nature reserves and 44 for the Cape Mountain Passes project. The audited tourism information will be placed on specially designed General Tourism Information (GTI) boards, to be placed in selected roadside lay-bye in mountain passes throughout the Western Cape, to promote and encourage rural tourism.

Tourism Participation

The Tourism, Arts and Entertainment Chief Directorate entered into a Memorandum of Agreement (MOA) with the Culture, Arts, Tourism, Hospitality, Sports, Sector Education and Training Authority (CATHSSETA) for the provision of Tourism, Hospitality Arts and Entertainment collaborative strategic skills interventions or training to unemployed young people. The MOA has been signed for a period of four years and will result in increased access for unemployed youth to be upskilled to obtain Tourism qualifications and job opportunities in the industry. The value of the CATHSSETA funding was R10 million for the 2012/2013 financial year.

Through the National Department of Tourism's partnership in the implementation of the Expanded Public Works Programme (EPWP), 359 learners participated in the programme and received work opportunities in the industry for a period of 3 to 12 months. These learners were also trained in Food and Beverage Management and Housekeeping. The EPWP programme was rolled out in all six regions of the Province, with the support of the industry.

As a result of the partnerships established/leveraged, **Tourism Human Resource Development** exposed 2 452 learners to training opportunities. The learners were trained to obtain demand-led qualifications in Professional Cookery, Assistant Chef, National Certificate Vocational and waitron by public FET colleges, to address the current skills gaps in the industry. The unit also provided the SA Host/Service excellence programme for 325 employees in the tourism and hospitality industry in the following municipalities/towns: Stellenbosch, Saldanha, Kleinmond, Cape Town, Breedekloof, Caledon, Hessequa, Beaufort West and Bredasdorp. SA Host is a national programme aimed at developing service excellence skills and promoting a culture of customer service in South Africa. It does this by creating an awareness of the importance of the individual's role in delivering superior customer service in their place of work and their community. At the end of the two-day training, participants were awarded certificates and lapel pins, which identify them as people who are committed to providing excellent service and being ambassadors for their community and for South Africa.

Tourism Enterprise Development provided support to 716 tourism businesses. The businesses were supported through the following interventions: Tourism Businesses Skills, On-line marketing and Social media, Tour operator programme, Guesthouse management programme and the Tourism mentorship programme. Social media training received a lot of attention, which resulted in a partnership with the Cape Town North Accommodation, who organised a venue for their members to be trained on how to use Social Media to market their Guesthouses and B&Bs. Another productive partnership was with Productivity South Africa, who offered Business Performance Improvement Workshops (BPIW) to tourism businesses on the West Coast and Eden. BPIW assisted these businesses in improving profitability and growth. Through the Memorandum of Agreement entered into between DEDAT and the Tourism Enterprise Partnership (TEP), the Tourism Mentorship Programme supported 30 mentees, who were assisted by mentors with their growth plans.

In partnership with DEDAT's Economic Empowerment unit, the sub-directorate supported 64 tourism businesses to obtain BEE certificates. The unit also worked with Cape Town Tourism, the City of Cape Town and Wesgro in organising network sessions for tourism businesses. Different speakers from the industry were invited to address businesses on various topics of interest.

Tourism Regulation registered 1 633 tourist guides. This increase was the consequence of intensifying the illegal guiding inspections, which created awareness about utilising registered tourist guides. The number of tourist guides inspected were 1 077. As a result of the illegal guiding inspection programme, DEDAT entered into partnerships with private sector companies to train/upskill some of the tourist guides who were operating illegally. The information sessions, focused on knowledge enhancement and product development, proved to be extremely popular among tourist guides. As a result, some topics were overbooked and had to be repeated. Further to this, Metrorail partnered with DEDAT to take tourist guides on an educational excursion to promote rail tourism as an alternate product offering.

Tourism Destination Marketing

During the 2012/13 financial year, the Conventions Bureau secured 17 bids for conferences and conventions, which represents an economic value of R310.23 million and will attract about 24 080 conference delegates. The Conventions Bureau submitted 35 new bids in the 2012/13 financial year for future conferences. The value of the new bids submitted is estimated at R785 million, with the potential to attract 81 450 delegates to the destination. In the same period, five Joint Marketing Agreements were secured, with an economic value of R115 million. A total of 19 events were supported over the year, which yielded an economic value of R1,301 billion.

Tourism Destination Marketing is unwavering in its commitment to the industry's transformation, which remains a key strategic imperative of the tourism marketing strategy. The marketing support programme, aimed at emerging, mostly black entrepreneurs, provided assistance to 180 small and medium-sized tourism enterprises, which includes youth beneficiaries. The success of this programme can be contributed to the continuous effort to collaborate with industry partners to produce innovative marketing platforms to benefit SMMEs.

Marketing Research and Intelligence (MR&I) Projects

The Tourism Marketing Research and Intelligence (MR&I) Unit, which merged with the Wesgro IQ Research unit, effective 1 April 2012, conducted various in-house research projects, including but not limited to: four quarterly Western Cape Tourism Barometer reports, a tourism industry perception study (industry reference panel survey), providing imperative and professional industry opinions and perceptions, and a SMME Evaluation Study, which monitors the impact of the marketing efforts attributed to the SMME products supported.

MR&I further gathers key tourism indicators, obtained from secondary data released by South African Tourism and STATSSA, and produced four Destination Performance Reports for the Western Cape.

In addition, for the reporting period, two outsourced research projects were conducted, namely an Event Impact Study (Prince Albert Olive Festival 2012) and a Visitor Tracking Study, administered to track key visitor trends and patterns of tourists visiting Cape Town and the Western Cape.

Commercial Arts and Entertainment

Commercial Arts and Entertainment facilitated access of R3,5 million from CATHSSETA's discretionary fund, which had a total national allocation of R5 million. The beneficiaries of this funding include the Visual Arts, Performing Arts, Film, Music and Craft. Geographically the funding benefits urban as well as the rural areas of the province; Wellington, Paarl, Worcester, West Coast(!Khwa ttu); Clanwilliam(Living Landscapes); City Bowl (Joule City). This funding afforded unemployed graduates in the creative industries the opportunity to gain experiential training in enterprise development and product development to make them more employable.

Craft

Commercial Arts and Entertainment promoted and facilitated the establishment of co-operatives in the craft industry to strengthen economic activity and delivery through commercialisation of crafters and craft sector development. The Cape Craft and Design Institute (CCDI) is a leading institution in the development of the craft sector in South Africa. Some of its achievements include: the establishment of the Fablab (in partnership with DST and the CSIR) in 2006; the recognition of the CCDI by the DTI as a best practice institute and model for provincial craft hubs in 2007; and by the MAPPP-SETA as an Institute of Sectoral Excellence in 2009. 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 3 500 craft producers registered on its database.

Focusing on commercialisation of crafters and the CCDI's interventions to bring the product to the market, the Department has partnered with the Co-operative Desk of the DTI to increase the market access opportunity of the crafters in the Province. The Department facilitated access to markets in the USA, France, Italy and Birmingham. These crafters reported their value of trade to the CCDI, who in turn reported an annual total trade value of R3.5 million. The Department registered two co-operatives for the Too Good To Waste craft group. Further to that, the Department registered three co-operatives with the Genadendal Hand Weavers as well as an incubator for weaving in craft. This process affords them the opportunity of accessing the DTI CIS funding to create a permanent trading space for the Too Good To Waste Co-operative.

In partnership with the DTI, the Genadendal Hand Weavers' primary co-operatives were established and have just registered an incubator with the DTI. These incubators will be situated in Genadendal, Firlands (Somerset West), Kleinmond and Hout Bay. Three of the Too Good To Waste co-operative members (companies) participated in the Charley's Cake Angels reality TV programme, based on their association with the Too Good To Waste co-operative, which will be screened on BBC shortly. The companies that participated were: Genadendal Hand Weavers, Recreate and Relive, Relove, Reuse. This opportunity affords a valuable marketing platform for the responsible tourism and economic growth concept of this specific co-operative.

In terms of craft sector development, the CCDI developed an online and internet-based sales and order facilitation process. The CCDI developed and launched their social media platform, the CCDI Facebook page for marketing and information dissemination purposes.

As part of craft enterprise development, the CCDI developed an information leaflet on organisational management to ensure Tax and Registration compliancy with SARS for all their members. This was distributed from their offices as well as in the rural regions.

In terms of Mentorship, the CCDI employed a business facilitator to capacitate the CCDI as an organisation and save costs on consultants, and to capacitate their members and control the quality of the service they render.

The CCDI partnered with Wesgro to facilitate access and increase trade by streamlining the trade and investment opportunities as well as increase market access opportunities. The CCDI also focused on craft product and innovation during the financial year and acquired a 3D-printing machine, which increases and enhances the innovation support to crafters and designers alike. Through their innovative approach to design and craft as well as their partnership with Wesgro, the CCDI won the bid to host the first South African hosting of the Creative Economy Conference in 2014.

Film

In partnership with the City of Cape Town, access to funding was facilitated for the South African film producers of the Oscar-nominated documentary and short film; *ASAD* and *Searching for Sugar Man*. Access to funding was facilitated through the National Film and Video Foundation (NFVF) for accommodation and flights for the three producers. Access to funding and sponsorships from corporates like Woolworths and private investors such as Oasis and Mayat International were also facilitated. This included sponsored media exposure from e.tv and Espresso Breakfast Show (SABC 3).

The Department focused on the commercialisation of film businesses during the financial year and partnered with the City of Cape Town and Big Fish Digital School of Film and developed an intense enterprise development training programme for 20 black filmmakers. This programme focused on developing the business management skills of filmmakers – to increase their capacity to access co-production funding and other related opportunities from the industry. In partnership with XCon Films, the Department trained 20 animators (puppeteers) who will be employed by XCon Films for their productions for the SABC. This has provided the entrepreneurs the opportunity to access work opportunities with the SABC as puppeteers after a training programme in puppeteer skills.

During the 2012/13 financial year, the promotion of trade and investment in the film sector was implemented by Wesgro. This included providing assistance to local film businesses to effectively enter the global markets and also to improve skills and capacity within the sector. The Department and Wesgro continues to work closely with Cape Town Film Studios to attract global film production companies to choose Cape Town and the Western Cape for their movie shoots and also to locate some production activities in the City.

Strategic objectives

Tourism, Arts and Entertainment					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 6.1: Management, Tourism, Arts and Entertainment					
Qualitative and Quantitative profiles for Tourism, Arts and Entertainment	2	1	1	-	-
Sub-programme 6.2: Tourism Growth					
Percentage of tourism establishments maintaining minimum standards [total number of establishments on the databases as at 31 March 2013]	96%	80%	95%	15%	Additional assessments and free star grading were provided.
Sub-programme 6.3: Tourism Participation					
Number of jobs facilitated/ sustained: Tourism human resources development	388	300	269	(31)	The programme experienced learners dropping out before the end of the programme.
Number of jobs facilitated/ sustained: Tourism enterprise development	-	300	549	249	Partnership with the Tourism Enterprise Programme (TEP) has assisted the Department in assisting more businesses.
Number of existing businesses expanded/ sustained through tourism enterprise development	-	100	95	(5)	Some businesses were not able to provide the necessary documentation that could be verified to determine whether they were expanded or sustained.
Percentage of tourist guides registered [Total number of tourist guides on the database as at 31 March 2013]	55%	65%	99.62%	34%	Continuous communication with stakeholders has led to increased awareness in the registration of tourist guides.

Tourism, Arts and Entertainment					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 6.4: Destination Marketing Organisation					
Number of international arrivals to the Western Cape	981 019	1 658 929	539 239	(1 119 690)	This figure is dependent on the SA Tourism quarterly reports. The data for the remaining quarters were not available at reporting date. This figure reflects the first two quarters of the financial year 2012/13 (April-September 2012)
Number of international arrivals attributed to the marketing efforts of DMO	51 994	87 923	28 580	(59 343)	The international tourist arrivals attributed to the efforts of DMO are estimated on 5.3%, which is aligned with the Destination Marketing International Performance Handbook. This figure reflects the attributed efforts for the first two quarters of the financial year 2012/13 (April-September 2012).
International Foreign Direct Spend	R13.3bn	R24bn	R8.3bn	(R15.7bn)	This figure is dependent on the SA Tourism quarterly reports. The data for the remaining quarters were not available at reporting date.
International Spend attributed to the efforts of DMO	R705m	R1.27bn	R0.4bn	(R0.87bn)	This figure is dependent on the SA Tourism quarterly reports. The data for the remaining quarters were not available at reporting date.
Number of domestic visitors	1 843 800	3 000 000	910 000	(2 090 000)	This figure is dependent on the SA Tourism quarterly reports. The data for the remaining quarters were not available at reporting date.

Tourism, Arts and Entertainment					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Number of domestic visitors attributed to the marketing efforts of DMO	184 380	300 000	91 000	(209 000)	The number of domestic visitors attributed to the efforts of DMO are estimated at 10%, which is aligned with the Destination Marketing International Performance Handbook. This figure, however, is dependent on the abovementioned.
Sub-programme 6.5: Commercial Arts and Entertainment					
Number of jobs facilitated/sustained: (Craft Enterprise Development)	–	300	70	(230)	The CCDI implemented an online monitoring system. The system is in its developmental stages and did not yet capture all the relevant information as required in the evidence framework. This system will be updated to address evidence required in the 2013/2014 financial year.
Number of jobs facilitated/sustained: (Craft Innovation)	–	180	–	(180)	The CCDI implemented an online monitoring system. The system is in its developmental stages and did not yet capture all the relevant information as required in the evidence framework. This system will be updated to address evidence required in the 2013/2014 financial year.
Number of businesses expanded / sustained: (Craft Enterprise Development)	–	150	60	(90)	The CCDI implemented an online monitoring system. The system is in its developmental stages and did not yet capture all the relevant information as required in the evidence framework.

Tourism, Arts and Entertainment

Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
					This system will be updated to address evidence required in the 2013/2014 financial year.
Number of businesses expanded / sustained: (Craft Innovation)	–	90	2	(88)	The CCDI implemented an online monitoring system. The system is in its developmental stages and did not yet capture all the relevant information as required in the evidence framework. This system will be updated to address evidence required in the 2013/2014 financial year.
Value of investment and trade (Film and Craft)	R3.228m	R1.27bn	R109.679m	(R1.160m)	The budget and delivery for Film outcomes at this moment is not a complete match in order to reach the desired outcomes. This matter will be addressed in the 2013/14 financial year to ensure that the efforts and evidence address the evidence framework.
Value of funds leveraged (Commercial Arts and Entertainment)	R10.271m	R2.050m	R8.826m	R6.776m	The CCDI, due to their constant and sustainable performance within the Craft and Design sector, encouraged funders to invest in their development methodology of the sector, hence the increase amount of funds leveraged.

Performance indicators

Tourism, Arts and Entertainment					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 6.1: Management Tourism, Arts and Entertainment					
Number of members engaged in the WC Tourism, Arts and Entertainment Partnership	816	300	602	302	Additional plenary sessions were scheduled with the Minister, resulting in more people attending the Partnership events.
Number of Strategic support interventions for Tourism, Arts and Entertainment	2 Annually updated sector strategies	1 annually updated Sector Strategies	1	-	-
	2 research papers (baseline)	2 position papers	2	-	-
	2 outcome indicators monitored	2 Outcome indicators monitored and evaluated	4	2	An M&E study was conducted for all transversal outcome indicators across the Department and four of these indicators were evaluated for Programme 6.
Sub-programme 6.2: Tourism Growth					
Number of tourism products supported/ developed	-	2	2	-	-
Number of tourism related infrastructure projects identified	2	2	2	-	-
Number of tourism establishments or individuals supported/ assisted	-	788	950	162	Additional assessments and free grading were provided.
Sub-programme 6.3: Tourism Participation					
Number of people trained in Tourism (Tourism human resources development)	2 173	1 870	2 452	582	The partnership with the National Department of Tourism and CATHSSETA has assisted the Department to train more unemployed youth.
Number of existing businesses assisted (tourism enterprise development)	-	625	716	91	The partnership with the Tourism Enterprise Partnership enabled the Department to assist more tourism businesses.

Tourism, Arts and Entertainment					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Number of individuals registered (tourist guides)	1 422	1 000	1633	633	Increased awareness as a result of distributing information awareness booklets has led to more tourist guides being registered.
Number individuals / tourism related businesses inspected or monitored (tourist guides)	1 057	1 000	1 077	77	Joint inspections done with Metro Police on tourist guides has helped in reaching a greater number of people that were inspected.
Sub-programme 6.4: Destination Marketing Organisation					
Number of Joint Marketing Agreements secured	7	5	5	-	-
Value of Joint Marketing Agreements secured	R126m	R42m	R114.7m	R72.7m	Due to high value yields in the UK market.
Number of Conference Bids secured	20	16	17	1	There are long lead periods for the approval of bids.
Value of conference bids secured	R254m	R360m	R310.23m	(R49.77m)	There has been a decline in the value of conferences due the global economic climate.
Number of delegates attending conferences	20 510	34 000	24 080	(9 920)	There has been a decline in the number of delegates to conference due to the global economic climate.
Number of events supported	14	6	19	13	The overachievement on this target is due to Joint Partnerships with the Premier's office on the major events that took place in this financial year.
Value of events supported	R1.5bn	R1bn	R1.301bn	R301m	The overachievement on this target is due to Joint Partnerships with the Premier's office on the major events that took place in this financial year.

Tourism, Arts and Entertainment					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 6.5: Commercial Arts and Entertainment					
Number of businesses assisted: (Craft Enterprise Development)	–	300	657	357	CCDI expanded their outreach programme, which resulted in a higher number of businesses reached.
Number of businesses assisted: (Craft Innovation)	642	200	373	173	Within the current economic climate the craft industry has become extremely competitive, firstly because it is so easy to enter and secondly because of the global exposure. Therefore, craft businesses realised the importance of design and innovation and has thus increased their utilisation of the CCDI FABLAB function.
Number of investments and trade projects realised in Film	–	50	37	(13)	Due to the delay in the finalisation of these training programmes, training was only completed at the end of April 2013. This will however be reported in the first quarter of the 2013/14 financial year.
Number of existing businesses assisted with opportunities in trade and export (domestic and international exports in Craft)	231	350	435	85	In the current economic climate, CCDI had to consider alternate and additional market access programmes in order to get better value for their allocated budget. Therefore, they focused more on internet marketing and market access, consignment markets locally and partnership market access projects with other stakeholders.

Tourism, Arts and Entertainment

Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Number of Craft members	896	50	313	263	The craft industry has become and proven to be a lucrative sector for economic growth and participation.
Number of economic sector intelligence reports	5	2	2	-	-

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2012/2013			2011/2012		
	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
Management: Tourism, Arts and Entertainment	3 561	3 533	28	2 964	2 940	24
Tourism Growth	4 574	4 564	10	7 562	7 506	56
Tourism Participation	8 538	8 508	30	7 418	7 382	36
Destination Marketing Organisation	25 000	25 000	-	35 439	35 439	-
Commercial Arts and Entertainment	8 740	8 740	-	9 556	9 556	-
Total	50 413	50 345	68	62 939	62 823	116

5.7 Programme 7: Skills Development and Innovation

Purpose

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

Programme Structure

Sub-programme 7.1: Provincial Skills Co-ordination

Sub-programme 7.2: Workforce Development

Sub-programme 7.3: Innovation

Strategic objectives for the financial year under review

- To create an enabling skills environment that minimises the human resource development hurdles to sustainable business growth, investment and job creation;
- To co-ordinate institutional arrangements by increasing access to occupationally directed programmes leading to entry, intermediate and high level learning; and
- The Regional Innovation Forum, RIF, will stimulate the environment of innovation to improve economic growth and enterprise competitiveness.

Strategic objectives, performance indicators, planned targets and actual achievements

The Skills Development and Innovation Programme is aligned with Provincial Strategic Objective 1: Creating opportunities for growth and jobs, through ensuring improvement and industry involvement in various aspects of curricula development, in particular, artisan training, incentivised placement of unemployed youth in the workplace, methods of training, mentorship, soft skills training and career development in mainly labour sectors. These initiatives aim to decrease the gap between supply and demand of labour and influence the rate of employment in the Western Cape.

Addressing the skills gap between supply and demand requires a collaborative effort between the industries and employers who demand the skills and the education and training entities who provide the skills. The role of the **Provincial Skills Forum (PSF)** is therefore to bring together these role-players to identify skills challenges, facilitate access to resources and support initiatives when relevant, but ultimately, the PSF's main objective is to stimulate enabling relationships for dynamic and ongoing programmes within the skills eco-system. As such, the relevant outcomes for the sub-programme are the number of identified challenges that have been resolved and the value of funding leveraged. With respect to funding leveraged, the PSF efforts saw the development of a partnership between the West Coast College and the Construction SETA (CETA) involving R4,3 million funding for 100 learners to be trade tested, internships for 30 graduates, upskilling of 10 FET staff, among other deliverables.

With respect to the deliverable, "number of identified challenges that were resolved", the target was four for 2012/13, but actual achievement was five resolutions, comprising of:

- a) **Linking West Coast FET College with Industry:** One of the priorities articulated in the National Skills Development Strategy (NSDS) III is the establishment of partnerships between public FET colleges and industry. West Coast FET College had indicated a need to be supported with the building of partnerships with relevant companies along the West Coast. The PSF project office facilitated a partnership between West Coast College and Atlantis Foundries, where the partnership includes the upskilling of the employees of Atlantis Foundries by the West Coast FET Coast College; industry exposure for the lecturers of West Coast FET College at Atlantis Foundries, workplace exposure for the college learners at Atlantis Foundries and possible employment opportunities at the company for the college learners after completion of their studies.
- b) **Cementing partnerships between Boland FET College and SETA's.** Boland FET College expressed the need to be assisted with building partnerships with the relevant Sector Education and Training Authorities (SETAs) in the province, and as a result of the support provided by the PSF, Boland College now has bilateral partnerships with five SETAs. These partnerships have allowed the College to have accreditation and programme approval for more SETA learning programmes, allowing the college to expand its basket of skills development offerings, including EW SETA assistance in Electrical Engineering, a research programme on water purification as a tri-party agreement with a municipality and support from the Merseta for their Automotive Trade Test Centre.

- c) **Addressing breakdown in funding information communication among skills stakeholders.** PSF encountered many training role-players who enquired about possible funding sources for their skills development initiatives, particularly given the changes in the National Skills Funds rules for private sector applications. The PSF Project Office proactively hosted a well-attended information and engagement session on funding opportunities for skills development, with presenters ranging from South African Revenue Services (SARS) to the National Skills Fund (NSF). The positive feedback received from the participants confirmed that the PSF workshop addressed the massive information disjuncture that was leading to frustration and in some cases, potential discontinuation of training courses.
- d) **Improving access between businesses of Cape Chamber of Commerce and SETAs.** The members of the Cape Chamber of Commerce struggled to access SETAs to support their in-house training. The PSF project office facilitated, via the Western Cape SETA Cluster that the Department helps to fund, the development and updating of a contact database of all regional SETA representatives and had this list posted on the Cape Chamber of Commerce's website. Furthermore, the Western Cape SETA Cluster administrator became the first point of call for the Cape Chamber companies to streamline and facilitate their access to SETAs. This was complemented by engagements between the Cape Chamber of Commerce and the Western Cape SETA Cluster to deepen a shared understanding of training challenges and to improve the institutional relationships between the entities.
- e) **Assistance with funding for College of Cape Town.** The FET College of Cape Town approached the PSF Project Office for co-funding of a laser welding machine. Art and Design, specifically Jewelry Manufacturing and Design, has been identified as one of the College of Cape Town's niche areas within the FET sector in the Western Cape. It is the only College in the Western Cape that has programme approval with the Mining Qualifications Authority (MQA) to offer Sector Education and Training Authority (SETA) accredited Jewelry programmes. The Provincial Skills Forum (PSF) assisted the FET College of Cape Town in its request for co-funding towards the purchasing of a highly specialised laser welding machine, which was regarded as critical in the training of learners.

The **Workforce Development** Sub-Programme has two key strategies aligned with Provincial Strategic Objective 1: Creating opportunities for growth and jobs, and the National Development Plan (NDP) in realising an environment for sustainable employment, inclusive growth and promoting employability in labour-absorbing industries and these are:

1. To facilitate/support unemployed youth to access jobs
2. To bridge the gap between the supply and demand across all sectors by creating a pool of skilled workers in identified artisanal, technical and professional fields that are essential to the development of growth of our economy.

The key strategies this year fed into co-ordinating skills development interventions for unemployed youth and those in institutions of learning: supported by firm-based work experience and providing a pipeline of appropriately trained artisan trainees to meet the shortage of artisan and technical skills required by the economy, as well as training trainers in coaching and mentoring.

Artisan Development Programme

The 2012/13 Artisan Development Programme has been instrumental in creating public and private partnerships to increase and enhance the development of Artisans. The programme was designed, piloted and pioneered as a precursor to the National Artisan Development strategy. The value of lessons learnt has been fed back to the relevant stakeholders to ensure greater enhancement in going forward. The overall strategic objective is to increase the semi-skilled labour pool in the Province to promote economic development and job creation.

Trades Covered in the 2012/13 training in the Artisan Development Programme:

Sector	Trade
Engineering	Fitter and Turner Fitter Welding Boilermaking Millwright Electrician Tool Maker Fabricator
Motors	Motor Mechanic Diesel Motor Mechanic Petrol Spray Painter Panelbeater
Construction	Bricklayer Carpenter Joiner and Wood Machinist Plastering and Tiling Electrical Plumber Painter Decorator Painter
Tourism	Chef

In 2012/13 the Artisan Development Project successfully trained 500 learners in the Job Readiness programme and 105 qualified artisans in Coaching and Mentoring.

Five hundred unemployed learners completed a three-month intensive (work readiness) simulated practical training programme (at a FET) based on the Apprenticeship modules. Learners entering this programme should have completed all their theoretical training (NCV4 or NTC2-6) as required for their relevant Trade disciplines. Note: this is a practical skills programme, therefore learners were taught productive skills relevant to their Trade. Learners completed three compulsory modules relevant to their trade namely:

1. Induction
2. Safety
3. Hand and Workshop Tools

Thereafter the various other trades-related modules such as Welding, Fitting and Electrical, based on the learners' qualification and industry demand, are added to ensure learners' productivity in the workplace. All training will be captured via an apprentice logbook, which will be taken to the workplace to continue capturing skills that are obtained as part of a portfolio of evidence required to gain access to the National Trade Test.

This Artisan Development Project has bridged the gap between skills supply and demand, creating greater opportunities for learners who exit FET Colleges to access workplace experience. The key FET Colleges who participated in 2012/13, based on supply of learners matching the demand for skills, were: College of Cape Town, Northlink FET, West Coast College and False Bay College (Public FET's) and Private FET's such as Japanese, Taiwan and Korea (JTK) and The Tourism and Business Institute of Southern Africa (TTBISA).

The Artisan Development Project will be increased in the next financial year due to its National Policy alignment and therefore increase the amount of Qualified Artisans in the Western Cape and South Africa. This development will also address skills for economic development and start to address the aging workforce.

As a result of this intervention, 147 learners have been matched to coaches and placed in host companies, in the first 2 months of the 2013/14 financial year. Placements are for a period of 18 months to gain access to the National Trade Test.

Work and Skills Programme

Through public private partnerships, driven by the Workforce Development sub-programme, the Jobs Fund has committed to spending R112,194 million on three skills interventions for unemployed youth: the Work and Skills Programme, an Artisan Programme in Tooling and the CAPACITI 1 000 Programme. An amount of R65,140 million has specifically been leveraged for the Work and Skills Programme from the Jobs Fund over the next three years.

As of 31 December 2012, a total of 790 learners successfully completed the Life Skills and Job Readiness Training in all six regions of the Western Cape, Cape Metro, West Coast, Cape Winelands, Central, South Cape and Overberg. The course training content consisted of the following topics: emotional intelligence, personal finance, dealing with stress, time management, basic conditions of employment and communications in business environment, team work, health and wellness. The majority of the placement, 53%, was dominated by the Cape Metro area and was dominated by the hospitality and wholesale and retail sector. Most of the positions learners were placed in were administration and data capturing. Based on demand, placements were made on entry level and technical positions. The nature of the technical placements involved welding, fitting and turning, assembly and quality control.

Although the Work and Skills Programme has been successful in placing 763 youths in 92 organisations in the job sector for 6 months, the outcome of work opportunities have not been realised especially in industries in rural areas.

The impact of stipends on the Western Cape Economy from the Work and Skills project has been incredible towards the medium and long-term impact towards growth and jobs, as reflected in a study by independent researcher from Urban Economics (2013).

Economic impact refers to the effect on the level of economic activity in a given area as a result of some form of external intervention in the economy. In the case of this study, the local impacts will be impacted on a regional level. These impacts are measured as a result of the capital investment made by paying the learners' stipends. The analysis focuses on the changes that could be expected in the economy and community and can be estimated by using a technique called the SAM Model.

The following can be concluded for the amount of stipend money spent in the economy:

- DEDAT spent R37 million on stipends to Learners over a five-year period (Phase 1 – 5 of the W&SP).
- As a result of learner's spending this money in the Western Cape economy (over 5 years), R72,8 million was generated in new business sales; of which R19 million was in indirect new business sales, and R16 million was in induced new business sales.
- The increase in production output, or new business sales, resulted in an increase in the gross value added in the Western Cape to the value of R29,7 million.

Source: Impact Assessment of the Work and Skills Programme; 2013 (Urban Economics)

Innovation

The Regional Innovation Forum initiated and met with the Embassy of Finland to discuss and share progress on implementing the Regional Innovation System in the Western Cape and lessons from around Africa in how this can be improved. The need for a sector approach in enhancing competitiveness and innovation, was a key theme in discussions, as well the role of encouraging greater leadership and resources from government and the private sector to do so.

The RIF Working Group in 2012/13 scoped an intervention for capacitating and leveraging funds for operationalizing the activities of the RIF. This intervention was scoped with and had buy-in from key stakeholders including the Western Cape Economic Development Partnership (WCEDP) and the Technology Innovation Agency (TIA). TIA is an initiative of the Department of Science and Technology (DST), with a regional footprint to enable and support technological innovation across all sectors of the economy to enhance global competitiveness.

The RIF will over time allow for greater integration and cohesion of innovation activities with public private partnerships to decrease duplication of initiatives, leverage funds, and improve incentives for commercialisation.

Human capital development is vital for innovation to flourish in a knowledge-based economy. In 2012/13, the Department of Economic Development and Tourism (DEDAT) embarked on an intervention to implement a Productivity Improvement Programme (PIP) in eight businesses in the Western Cape. This pilot of PIP is a continuation of the 2011/12 initiative, where 12 businesses participated.

The interventions also provided an opportunity for students at CPUT to transfer knowledge to the businesses and vice versa; promoting demand-led solutions in the pursuit of a “world class service” being offered in the province. This pursuit increases the relevance of training to meet industry needs and increases the possibility of matching supply of and demand for appropriate skills for employment.

The success of the interventions can largely be attributed to the simplified model used to make the funds available to the companies and business identifying and proactively defining the bottlenecks in gaining a competitive edge. In most cases, it must be noted that the financial assistance provided to almost all was a portion of the total project value and in some cases helped leverage additional resources, which would otherwise not have been possible. The piloted model used in this innovation collaboration reinforces the triple helix (Industry, Government, and Academia) of the Regional Innovation Systems Framework.

The financial support made available to the participating businesses realised several projects that may otherwise not have been completed. As a result of these projects, several Mechatronics students have gained experience, insight and opportunities and the participating businesses were able to develop solutions that would assist with improving productivity and/or innovation over the medium to long-term.

Participating companies in PIP for 2012/13 were:

Project Name	Grant Recipient
Reduction in Prototype Production Time	Special Products and Technologies
Film Camera Motion Control Rig	Productive Engineering
Tabletop spray dryer for powdered food product development	CPUT
PLC Training System for technicians	HB Systems
Air gauge design 3D CAD workstation	Escape Gauges
Prototype Zip Tester	CPUT
Milk Receiving Data Acquisition System	Sonnendal Dairy
Technician Telemetry Training System	SSE Cape

Strategic objectives

Skills Development and Innovation					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 7.1: Provincial Skills Co-ordination					
Number of identified challenges that have been resolved	–	4	5	1	The PSF is not able to exactly predict the number of challenges that arise during the year because it needs to be responsive to the needs of the stakeholders.
Value of funds leveraged	R565 000	R4m	R4.3m	R300 000	The planned target was established based on the preliminary value of funding required for project. Funding requirement was more than

Skills Development and Innovation					
Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
					anticipated and therefore additional funding was leveraged.
Sub-programme 7.2: Workforce Development					
Number of working opportunities: Work and Skills	443	750	260	(490)	Industries have generally absorbed labour more slowly than predicted, supporting the understanding that economic growth has not resulted in significant job creation for unskilled and entry level positions. Demand factors that are external to the project such as high input costs, excessively, restrictive labour regulation, and low productivity overall, has also restricted labour absorption.
Number of people trade tested (Artisans)	-	-	-	-	-
Value of funds leveraged	R5.635m	R5m	R1.175m	(R3.825m)	The funds from the DBSA was committed in 2012/13, however, due to delays from National, the funds will only be transferred to the DEDAT in 2013/14.
Sub-programme 7.3: Innovation					
Functioning Regional Innovation Forum, represented by relevant stakeholders	1	1	1	-	-

Performance indicators

Skills Development and Innovation					
Performance indicator	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Sub-programme 7.1: Provincial Skills Co-ordination					
Creation of a standardised framework for skills intelligence	–	1	1	–	–
Number of working groups established to develop policies and projects for skills programmes	3	2	2	–	–
Number of research reports developed	2	2	2	–	–
Number of hits reached through career mediums	125 382	36 000	475 402	439 402	A proactive media strategy was implemented, which saw a substantial increase in hits.
Sub-programme 7.2: Workforce Development					
Number of people trained: Work and Skills	512	750	790	40	The target was over-achieved due to a matched supply of learners to the required demand from industry.
Number of people placed in host company	–	750	763	13	The target has been over-achieved in 2012/13 due to demand for learners to gain work experience, in mainly urban areas.
Number of people trained: Artisans	18	600	605	5	The programme started in 2nd quarter of 2012 and went over into the 4th quarter due to the limited capacity at FET Colleges and companies not able to release Artisans from the workplace. Therefore, there was an increase in training in the 3rd quarter and flexible schedules for training of mentors being implemented, which increased demand for training from industry and overachieving of the target.

Skills Development and Innovation

Strategic objectives	Actual Achievement 2011/12	Planned Target 2012/13	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/13	Comment on deviations
Number of host companies matched to Work and Skills	–	70	92	22	The target was over-achieved due to increase in demand from industry, which assisted to proactively match unemployed learners.
Sub-programme 7.3: Innovation					
Number of working groups for the Regional Innovation Forum established	–	1	1	–	–

Linking performance with budgets

Sub-programme expenditure

Sub-Programme Name	2012/2013			2011/2012		
	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
Provincial Skills Co-ordination	3 805	3 805	–	2 343	2 335	8
Workforce Development	20 908	20 870	38	12 964	12 964	–
Innovation	888	873	15	2 054	2 054	–
Management: Skills Development	1 088	1 082	6	1 014	1 014	–
Total	26 689	26 630	59	18 375	18 367	8

6. SUMMARY OF FINANCIAL INFORMATION

6.1 Departmental receipts

Departmental Receipts	2012/2013			2011/2012		
	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
Casino taxes	–	–	–	–	–	–
Horse racing taxes	–	–	–	–	–	–
Liquor licences	13 315	24 822	11 507	5 064	6 551	1 487
Tax Receipts	13 315	24 822	11 507	5 064	6 551	1 487
Motor vehicle licences	–	–	–	–	–	–
Sale of goods and services other than capital assets	270	418	148	270	400	130
Transfers received	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–
Interest, dividends and rent on land	–	9	9	–	–	–
Sale of capital assets	–	–	–	–	–	–
Financial transactions in assets and liabilities	3 755	4 320	565	2 706	3 867	1 161
Total	17 340	29 569	12 229	8 040	10 818	2 778

For the 2012/13 financial year, an amount of R17.340 million was estimated for revenue collection, however, an amount of R29.519 million was collected in revenue. This revenue was sourced from the following:

- a) Liquor license fees: R24.822 million
- b) Sales of goods and services (Tourist guide registration fees): R418 000
- c) Interest, dividends and rent on land: R9 000
- d) Financial transactions in assets and liabilities: R4.320 million

Budgeted revenue for liquor license fees were collected in terms of the tariffs noted in the Liquor Act 2003 (Act 59 of 2003) and the tourist guide registration revenue in terms of the National Tourism Second Amendment Act, 2000 (Act 70 of 2000).

During the 2012/13 financial year, the Department over-collected on its revenue by R12.229 million or 70,52%. This over-collection was primarily due to the over-collection on liquor license fees, amounting to R11.507 million.

The total revenue collected by the Department amounted to R29.519 million for the 2012/13 financial year.

6.2 Programme Expenditure

Programme Name	2012/2013			2011/2012		
	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	25 254	25 210	44	20 765	20 765	–
Integrated Economic Development Services	51 322	51 306	16	51 782	51 782	–
Trade and Sector Development	102 276	101 296	980	69 256	68 537	719
Business Regulation and Governance	34 871	34 820	51	19 021	19 021	–
Economic Planning	24 760	24 737	23	14 932	14 794	138
Tourism, Arts and Entertainment	50 413	50 345	68	62 939	62 823	116
Skills Development and Innovation	26 689	26 630	59	18 375	18 367	8
Total	315 585	314 344	1 241	257 070	256 089	981

During the 2012/13 financial year, the Department was allocated an original budget of R291.117 million. This budget was allocated as follows:

Programme 1: Administration – R27.738 million

Programme 2: Integrated Economic Development Services – R45.228 million

Programme 3: Trade and Sector Development – R95.658 million

Programme 4: Business Regulation and Governance – R24.404 million

Programme 5: Economic Planning – R19.929 million

Programme 6: Tourism, Arts and Entertainment – R53.040 million

Programme 7: Skills Development and Innovation – R25.120 million

During the Adjustment Estimate process, an additional allocation of R24.468 million was allocated to the Department. Of this, R7,5 million was allocated to the broadband project, R3,6 million was allocated to the Western Cape Economic Development Partnership. A further R1.487 million was allocated to the Western Cape Liquor Authority as a result of revenue retention and R8.251 million was allocated to the Western Cape Liquor Authority as a result of increased own revenue and R3.755 million was allocated to the National Empowerment Fund.

Post Adjustment Estimate the adjusted budget of R315.585 million was allocated per programme as follows:

Programme 1: Administration – R27.286 million

Programme 2: Integrated Economic Development Services – R48.297 million

Programme 3: Trade and Sector Development – R103.269 million

Programme 4: Business Regulation and Governance – R34.532 million

Programme 5: Economic Planning – R23.679 million

Programme 6: Tourism, Arts and Entertainment – R51.517 million

Programme 7: Skills Development and Innovation – R27.005 million

Seven virements were effected post Adjustments altering the Programme allocations to the following:

Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	27 286	–	(2 032)	25 254	25 210	44
2. Integrated Economic Development Services	48 297	–	3 025	51 322	51 306	16
3. Trade and Sector Development	103 269	–	(993)	102 276	101 296	980
4. Business Regulation and Governance	34 532	–	339	34 871	34 820	51
5. Economic Planning	23 679	–	1 081	24 760	24 737	23
6. Tourism, Arts and Entertainment	51 517	–	(1 104)	50 413	50 345	68
7. Skills Development and Innovation	27 005	–	(316)	26 689	26 630	59
Total	315 585	–	–	315 585	314 344	1 241

As at 31 March, the Department expended 99,6% or R314,344 million of its allocated budget in the execution of its mandate as articulated in Strategic Objective 1: Creating opportunities for growth and jobs.

6.3 Transfer Payments, excluding public entities

The table below reflects the transfer payments made for the period 1 April 2012 to 31 March 2013:

Name of transferee	Purpose for which the funds were used	Compliance with section 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds not spent by the entity
Programme 2: Integrated Economic Development Services					
Small Enterprise Development Agency	Business Development Services	Yes	4 500	4 500	
Development Bank of Southern Africa	Implementation of the Co-operative Support Programme	Yes	500	410	Beneficiaries not finding supply chain compliant providers therefore funding unused.
Development Bank of Southern Africa	Implementation of the Business Competitiveness Programme	Yes	500	268	Beneficiaries not finding supply chain compliant providers therefore funding unused.
Development Bank of Southern Africa	Implementation of the Provincial Growth Fund	Yes	3 000	3 000	

Name of transferee	Purpose for which the funds were used	Compliance with section 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds not spent by the entity
Programme 2: Integrated Economic Development Services					
The Business Place	Support to Partnership Network	Yes	750	750	
West Coast Business Development Centre	Support to Partnership Network	Yes	750	648	Funding period to April 2013.
National Empowerment Fund	Implementation of the WCDEDAT/NEF ED Fund Initiative	Yes	9 755	8 808	Applications for funding received were not finalised at financial year-end – these applications will be evaluated in the new (2013/14) financial year.
Casidra	Implementation of the Provincial Growth Fund	Yes	4 054	0	Given the unprecedented demand generated by the PGF and an oversubscription of applications to the PGF, additional funds were secured in the last quarter of the year and allocated for the implementation of five more approved projects. These projects were approved during Dec 2012 and Jan 2013. The nature of the fund requires that prior to the beneficiary requesting the grant funding, the beneficiary needs to contribute 30 or 50% of the project (phase) cost. In order for beneficiaries to commence with the project implementation, commitment from the Fund

Name of transferee	Purpose for which the funds were used	Compliance with section 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds not spent by the entity
					<p>is required in writing (a signed agreement). For the written commitment to be guaranteed, the implementing agent requires an agreement and the transfer of funds from the Department. The funds transferred to Casidra are thus fully committed towards the implementation of the approved economic development projects within the coming year.</p>
Business Processing enabling South Africa (BPeSA)	Skills, Investment Promotion and Clustering	Yes	7 669	6 146	<p>R960 000 for the Skills Project was only transferred at the end of January 2013. This is committed expenditure, currently being spent in accordance with the approved Business Plan. R500 000 is committed to the Team Leader Project, a collaboration with Sanlam, and will be spent by the end of June 2013.</p>
GreenCape	Clustering Atlantis Manufacturing Hub	Yes	3 053	2 988	<p>The remaining funds will be utilised for the programmes and activities as agreed upon in the MOA and Business Plan, the key of which being the</p>

Name of transferee	Purpose for which the funds were used	Compliance with section 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds not spent by the entity
					intended payment towards a revised marketing prospectus ('pitch book') for the Atlantis green manufacturing hub. The delay in payment has been caused due to delays in the City of Cape Town's procurement processes. Any other residual funds have already been allocated for payment within the next 30 days.
South African Honeybush Tea Association	Cluster Development	Yes	200	187	Balance of funds committed for SAHTA programmes, which runs beyond financial year-end.
Cape Craft and Design Institute (CCDi)	Design Strategy	Yes	2 100	872	R1.228 million is committed towards the implementation of the next steps in the Preparation Phase of the Design Strategy. This will be spent by June 2013 as promised in the business plan.
Western Cape Furniture Initiative (WCFi)	Cluster Development	Yes	400	360	The organisation saved funding because of the resignation of the administration officer but the balance (R40 000) will be spent before end of May 2013.

Name of transferee	Purpose for which the funds were used	Compliance with section 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds not spent by the entity
South African Oil and Gas Alliance (SAOGA)	Cluster Development	Yes	5 400	5 179	Outstanding marketing activities have been carried due to activities spilling into the new year.
Cape IT initiative (CITI)	Sector Development	Yes	5 900	2 511	Programmes run over 2 financial years, last transfer only went through in January 2013. Some savings from delays in filling of posts.
Cape Clothing and Textile Cluster (CCTC)	Cluster Development	Yes	2 500	1 600	R1.250 million was only transferred in January 2013, and membership fees were also received in January, inflating the balance in the account.
Western Cape Tooling initiative (WCTi)	Cluster and Market Development	Yes	855	806	The balance of R49 000 is for the market development programme, which will only be completed by end of June 2013, due to the availability of companies.
Clotex	Cluster Development	Yes	2 000	1 167	The unspent amounts left in the investment account are allocated as follows: *Enterprise development - R116 000; *Clustering - R167 000; *Distress Programme - R526 000
Cape Town Fashion Council (CTFC)	Cluster Development	Yes	2 913	2 525	The funding surplus has been allocated to website and software upgrades. There are also some

Name of transferee	Purpose for which the funds were used	Compliance with section 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds not spent by the entity
					outstanding rental payments that have been submitted for processing.
Western Cape Aquaculture Development Initiative (WCADI)	Cluster Development	Yes	1 300	1 130	Balance of funds committed for Aquaculture upgrade programme, which runs beyond financial year-end.
South African Fine Food Association	Cluster Development	Yes	600	542	Balance of funds committed for Fine Food programmes, which runs beyond financial year-end.
Cape Town Partnership	The Fringe	Yes	1 000	616	R384 000 is committed towards the ongoing secretariat and marketing and communication duties that the CTP fulfils for the Fringe precinct. The amount includes costs for April to June 2013, key to this amount is the final communication plan to be delivered in June.
Programme 5: Economic Planning					
Western Cape Economic Development Partnership (WCEDP)	Operationalisation of the EDP		7 850	7 850	–
Programme 6: Tourism, Arts and Entertainment					
Cape Craft and Design Institute	Craft Sector Development	Yes	4 920	4 852	
Programme 7: Skills Development and Innovation					
College of Cape Town	Strengthening of skills in the design industry	Yes	85	85	

Name of transferee	Purpose for which the funds were used	Compliance with section 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds not spent by the entity
Industrial Development Corporation (IDC)	Skills Development Research Study	Yes	300	–	Beneficiary not finding supply chain compliant providers therefore funding unused.
Northlink College	Artisan Development Programme	Yes	10 980	9 417	Balance of funds is for commitments that runs beyond the 2012/13 financial year.
Learning Cape Initiative (LCI)		Yes	1 300	931	The balance of the funds is committed for operational requirements up until 31 July 2013.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2012 to 31 March 2013, but no transfer payments were made:

Name of transferee	Purpose for which the funds were used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Programme 3: Trade and Sector Development				
Accelerate Cape Town		700	–	Fishing harbours project was discontinued.
Western Cape Aquaculture Development Initiative		780	500	Delivery of final aquaculture standards project to be finalised in October 2013.
Total		1 480	500	

6.4 Public Entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity (R'000)	Achievements of the public entity
Western Cape Investment and Trade Promotion Agency (Wesgro)	Trade, investment and marketing of the region	26 762	26 762	See Part B Programme 3: Trade and Sector Development.
Western Cape Liquor Authority	Regulation of the WC liquor Industry	24 762	24 762	See Part B, Programme 4: Business Regulation and Governance.
Destination Marketing Organisation	To market the WC as a tourist destination of choice	25 000	25 000	See Part B, Programme 6: Tourism, Arts and Entertainment.

6.5 Conditional grants and earmarked funds received

Not Applicable

6.6 Donor Funds

Not Applicable

6.7 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 they are expected to be completed.
Assets will be replaced in terms of the asset management policy. In addition, the Department will improve its infrastructure whereby WI-FI access will be provided for the Department.
- 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 198 assets has been disposed of during the financial year 2012/13.
- Measures taken to ensure that the Department's assets 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. The asset register, LOGIS registers and the BAS system are reconciled on a monthly basis 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.
 - 60% is in good condition
 - 35% 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.
 - Assets are purchased with warranties and replaced after the warranty expires. Assets are maintained in accordance with the manufacturers' booklet. The warranty encapsulates the maintenance plan and ensures that maintenance is kept on track.

Infrastructure Projects	2012/2013			2011/2012		
	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
New and replacement assets	2 693	2 477	216	2 806	2 806	–
Existing infrastructure assets						
- Upgrades and additions						
- Rehabilitation, renovations and refurbishments						
- Maintenance and repairs						
Infrastructure transfer						
- Current						
- Capital						
Total	2 693	2 477	216	2 806	2 806	–

PART C: GOVERNANCE

1. INTRODUCTION

The Department articulated its continuous commitment to the highest standards of governance during the 2012/13 year, three-fold. Firstly, the Department has and maintains a Departmental Governance Committee, chaired by the Accounting Officer and aptly representative of all senior management and therefore all programmes. The driving force for the committee's agenda, its purpose, objectives and fundamentals, all stem from the King III Report on Corporate Governance. The committee is made operative through its annually approved terms of reference, appointment letters for all members and quarterly meetings where all governance matters are considered, which includes but are not limited to the topics addressed in this Part.

Secondly, the Department highly values staff training and development for its competency yields and how this investment in human capital translates into improved service delivery. For this reason, procuring staff training is a structured process where only relevant, highly sought-after and accredited training is secured. In tribute to this empowerment through capacitation theme and in relation to the Departmental Governance Committee, the 2012/13 year experienced a feat when Dr. Mervin King was secured to provide specific training to the Governance Committee and the Departments' implementing partners.

Thirdly, and in the spirit of exercising better governance over state funds, the Department took another look at the processes for transfers to beneficiaries, in consultation with the Department of the Premier Legal Services Unit. An expansion of governance requirements were implemented during 2012/13, which both compelled beneficiaries to ensure that state funds received were managed effectively, efficiently and economically and provided the Department assurance of the same.

2. RISK MANAGEMENT

Citizens rely on government to provide essential services. They expect well-run programmes and tax money to be spent responsibly. Government by its nature takes on the biggest risks in society and provides critical services where mistakes can be costly, lives can be affected and service delivery can be compromised. As a result, government requires a formal approach to risk.

Risk is essentially the effect of uncertainty on government's objectives and brings about hazards as well as opportunities. Government's ability and agility to respond well, particularly during times of uncertainty, is required to ensure long-term sustainability.

The Accounting Officer (AO) takes responsibility for ERM in accordance with The National Treasury Public Sector Risk Management Framework and the Directorate Enterprise Risk Management in the Department of the Premier and provides a centralised strategic support service. This service systematically drives a sustainable ERM journey.

The Department has progressively matured where significant risks relevant to objectives are assessed in terms of its likelihood and impact, and risk responses are determined. In the populated and regularly reviewed risk registers, risk owners are assigned and held accountable at quarterly review (QPR) and/or enterprise risk management (Governance Committee) meetings.

While it is acknowledged that not all risk can be eliminated, it is good practice for leaders to acknowledge that risk management is an essential enabler for the desired risk management culture that will support the WCG in its efforts to meet its objectives, maximise opportunity and minimise adverse consequences.

3. FRAUD AND CORRUPTION

The Western Cape Government adopted an Anti-Corruption Strategy, which confirms the province's zero tolerance stance toward fraud and corruption. The Department furthermore has an approved Fraud Prevention Plan.

Forensic Investigations continued to be offered by the shared Forensic Investigating Unit, which was corporatised in the Corporate Service Centre in the Department of the Premier. Various channels for reporting allegations of fraud and corruption exist, and these are described in detail in the Anti-Corruption Strategy and the Departmental Fraud Prevention Plan. Each allegation received by the Forensic Investigating Unit 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.

We protect employees who blow the whistle on suspicion of fraud, corruption and theft if the disclosure is a protected disclosure (i.e. not malicious). 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 employee who participated in these acts is 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.

4. MINIMISING CONFLICT OF INTEREST

The Department regards the conflict of interest as an important focus area within supply chain management. 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. Suppliers are required to complete the WCBD4 document, which requires them to disclose any family members that are involved in the procurement process or employed within the Department. The information on the WCBD4 is verified by the Department prior to the evaluation of the bid/quotation.

5. CODE OF CONDUCT

All supply chain management officials sign a code of conduct just after their assumption of duty. The contents of the code of conduct are discussed with each employee so that they are aware of the serious nature of this document.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

With the appointment of a dedicated Security Manager and Security Committee at the Waldorf Building, a conscious effort has been made to increase the safety measures in the Department. The Department is also represented on the Western Cape Government Transversal Safety and Security Managers Forum, which monitors the implementation of security measures across departments.

During 2012, the Department developed and approved a Business Continuity Plan to deal with contingencies. A process was set in motion to implement the recommendations of the Information Security Analysis Report of the State Security Agency. The Department furthermore participated in the provincial Safety and Security Diagnostic, of which the purpose is to develop a Master Security Plan. On 4 October 2012, the Government Security Regulator: Audit and Inspection Team, South African Police Service conducted a physical security audit at the Department. The Department scored 91%.

A dedicated person was appointed to manage Occupational Health and Safety issues in the Department. Due to personnel and organisational changes, the Departmental Contingency Plan is under review. During December 2012 an evacuation dry-run of the building was successfully conducted. A Standard Operating Procedure is in place to deal with day-to-day housekeeping and maintenance.

7. 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 Internal Control Unit have translated these responsibilities within 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 2012/13 financial year, the Internal Control Unit conducted special audits on Supply Chain Management project files, transfer payment project files and Human Resource files. As part of the recurring audits, the Internal Control Unit conducts audits on all payments, assets, leases, revenue, the interim and annual financial statements and the audit on performance information. During the year, the Internal Control Unit procured and trained all internal control staff on a computerised assisted audit tool, being ACL. This tool assisted the team in selecting samples as well as to conduct analytical procedures on expenditure.

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

The unit has also developed a financial management improvement plan, which lists all areas of risk within each financial management unit and identifies a responsible employee per risk. These responsibilities are allocated to employees, not only within financial management, but to other management and staff within the Department. This financial management action plan was tabled by the Chief Financial Officer at the executive management committee. The Internal Control Unit monitors the implementation and progress of the actions identified in the financial management action plan as part of the various control activity and compliance checks conducted within the unit.

8. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2013. We commend the Department in obtaining a clean audit.

Audit Committee Members and Attendance

In terms of Cabinet Resolution 55/2007, the Department of Economic Development and Tourism is served by the Economic Cluster Audit Committee. The Audit Committee consists of the members listed below and should meet at least 4 times per annum as per its approved terms of reference. During the financial year under review, 7 meetings were held.

Name of Member	Number of Meetings Attended
Ms J Gunther (Appointed as Chairperson from 01 January 2013)	1
Mr Z Hoosain (Chairperson until 30 November 2012)	6
Mr R Kingwill	6
Mr K Larkin	6
Mr B Van Staaden	7
Mr F Barnard (Appointed from 01 January 2013)	1

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

The Effectiveness of Internal Control

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

During the year key control deficiencies were noted by Internal Audit in the following areas;

- Tourism Growth
- Consumer Protection

Corrective actions have been agreed by management and are being monitored by the Audit Committee.

We previously mentioned that the Department has taken full responsibility and ownership for the implementation of the Enterprise-wide Risk Management (ERM) methodology and function. The challenge remains to institutionalise ERM throughout the Organisation. The Audit Committee noted a number of Emerging Risks and will be monitoring these on a regular basis.

We have reviewed and concur with management's acceptance of the AGSA's management report. We can confirm there are no unresolved issues.

The Audit Committee is satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Officer of the Department, during the year under review.

We have fulfilled our mandate with regards to the annual financial statements as mentioned below.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements, to be included in the Annual Report, with the AGSA and the Accounting Officer;
- reviewed the AGSA's Management Report and Management's response thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the Department's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report;
- reviewed material adjustments resulting from the audit of the Department; and
- reviewed and where appropriate recommended changes to the interim financial statements as presented by the Department for the six months ending 30 September 2012.

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

Internal Audit

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

The following internal audits were approved and completed during the year under review:

- Consumer Protection
- Tourism Growth
- Skills Development Forum
- Transfer Payments

The Audit Committee remains concerned that further audit coverage is required to cover a significant percentage of High Risk Areas. The Audit Committee will encourage increased assurance over significant risks by overseeing the implementation of combined assurance principles.

Auditor-General's Report

We have reviewed the Department's implementation plan for audit issues raised in the prior year on a quarterly basis. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings emanating from the current regulatory audit will be monitored by the Audit Committee on a quarterly basis.

Appreciation

The Audit Committee wishes to express its appreciation to the Management of the Department, the AGSA, Provincial Enterprise Risk Management Unit, Forensic Investigative Unit and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



Ms J Gunther

Chairperson of the Economic Cluster Audit Committee

August 2013

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 (PAJA) 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.

2. INTRODUCTION

The value of human capital 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 well-being 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; and
- embrace diversity and have a deep respect for one another's culture, individuality, language, values and beliefs.

Overview of human resource matters

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.

It is within this context that the Department's strategic HR Plan was developed and implemented for the period 1 April 2013 to 31 March 2018. The HR Plan was reviewed to determine whether the human resource strategic objectives were still valid and whether it addressed the HR priorities in the Department. Biannual progress reports monitored the implementation of the key activities contained within the HR Plan and were submitted to DPSA as directed.

By means of workforce planning, the Department identified the current and future human resource needs and flagged the potential challenges that could impact on the achievement of the Department's strategic objectives.

Set human resource 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	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	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	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 people, the Department cannot deliver an optimum service and without an adequate budget, it cannot recruit, develop or retain people needed to deliver optimum services.

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

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

NO.	KEY ACTIVITIES
1	<p>Training and Development</p> <p>Structured mentoring and coaching programmes to be implemented.</p> <p>Conduct training needs analysis to determine skills shortages, as well the alignment with the departmental Risk Register and the risks identified.</p> <p>The co-ordination by the Departmental Training Committee on all training gaps and development interventions and include monitoring and reporting to the Departmental Top Management structure on an ongoing basis.</p>
2	<p>Recruitment and Selection</p> <p>Implement measures to reduce the turnaround time for the filling of permanent posts e.g. e-Recruitment, Recruitment Plan, internal recruitment, etc.</p> <p>All new appointees to attend induction within the first month of appointment, as well as review and implement the On-Boarding Programme, which should have a strong focus on change navigation, values, mentoring and skills development.</p> <p>Introduction of entry interviews on new appointments on MMS and also for specialised and critical skills occupations.</p>
3	<p>Employment Equity and Diversity Management</p> <p>Focus recruitment and development initiatives towards reaching the numerical goals, in particular to address under-representation on all salary levels and in all directorates.</p> <p>Introduce Affirmative Action (AA) measures in the Employment Equity (EE) Plan (establishing partnerships with Disability organisations/networks) in order to create a pool of PWD's and Women in MMS to be eligible for promotion to SMS posts when a vacancy arises.</p>
4	<p>Succession Planning and Career Management</p> <p>Retirement and exit planning to ensure skills and knowledge transfer (e.g. in documentary form) in high-risk groups (e.g. youth – younger than 35, scarce and critical occupations and anticipated retiring employees, including HOD/SMS).</p> <p>Explore the possibility of identifying an exit companion where employees are nearing retirement age, with a view to preserve institutional memory and to transfer, both, concrete and tacit knowledge.</p>
5	<p>Retention</p> <p>Implement retention measures as per the transversal Retention Strategy.</p> <p>Investigate the exit interview process with a view to enhance its credibility and identify skills lost to the Department.</p>

It is expected that the Departmental management and the Corporate Service Centre will 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 that earns the pay.

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.

This system represents a more equitable, fair and open process. Moreover, it sets the framework in which both the employer and employee can equally realise their goals and objectives.

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 well-being 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 Service Centre that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, ongoing reporting to the Department of Public Service and Administration (DPSA) is a requirement and such reporting focuses on four areas namely, HIV/AIDS, Health and Productivity, Wellness Management and SHEQ (Safety Health Environment and Quality).

Policy development

The following Provincial policies were adopted during the year under review:

- a) **Special Leave Policy**, which sets transversal standards and conditions for leave categories that are not regulated in the national Determination on Leave of Absence (August 2012). These categories include study leave, substance abuse treatment, participation in sporting events etc.
- b) **Policy on Remunerative Work Outside Public Service**, which manages and regulates the conditions under which the employer would provide authorisation for employees to conduct remunerated work outside the Public Service.
- c) **Policy on Secondment of Employees**, which provides directives and general measures, and to prescribe uniform conditions for secondment.

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.

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	Tourism Arts and Entertainment
Programme 7	Provincial Skills Development and Innovation

Table 3.1.1: Personnel expenditure by programme, 2012/13

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods and Services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Programme 1	25 210	15 834	1 127	7 915	62.8	226	70
Programme 2	51 306	15 077	170	12 099	29.4	314	48
Programme 3	101 296	16 103	38	24 237	15.9	375	43
Programme 4	34 820	7 306	45	2 638	21.0	118	62
Programme 5	24 737	9 355	29	7 329	37.8	292	32
Programme 6	50 345	12 336	225	4 821	24.5	274	45
Programme 7	26 630	4 242	24	9 695	15.9	212	20
Total	314 344	80 253	1 658	68 734	25.5	251	320

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, 2012/13

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)	1 593	1.8	28	56
Skilled (Levels 3-5)	7 103	8.2	129	55
Highly skilled production (Levels 6-8)	17 041	19.7	216	79
Highly skilled supervision (Levels 9-12)	45 208	52.4	404	112
Senior management (Levels 13-16)	15 341	17.8	852	18
Total	86 286	100.0	270	320

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, 2012/13

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	11 424	13.2	243	0.3	300	0.3	654	0.8
Programme 2	10 165	11.8	0	0.0	173	0.2	385	0.4
Programme 3	10 802	12.5	0	0.0	134	0.2	226	0.3
Programme 4	9 107	10.6	0	0.0	195	0.2	319	0.4
Programme 5	6 361	7.4	64	0.1	127	0.1	212	0.2
Programme 6	8 514	9.9	0	0.0	181	0.2	303	0.4
Programme 7	3 655	4.2	0	0.0	28	0.03	105	0.1
Total	60 028	69.6	307	0.4	1 138	1.3	2 204	2.6

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.

Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary bands, 2012/13

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Lower skilled (Levels 1-2)	1 181	1.4	8	0.0	20	0.0	4	0.004
Skilled (Levels 3-5)	4 771	5.5	62	0.1	293	0.3	447	0.5
Highly skilled production (Levels 6-8)	12 188	14.1	154	0.2	410	0.5	806	0.9
Highly skilled supervision (Levels 9-12)	32 519	37.7	83	0.1	415	0.5	839	1.0
Senior management (Levels 13-16)	9 369	10.9	0	0.0	0	0.0	109	0.1
Total	60 028	69.6	307	0.4	1 138	1.3	2 205	2.6

Note: The totals of table 3.1.3 and 3.1.4 do balance, however, due to the fact that the data is grouped by either programme or salary band and that it is rounded off to thousands, they reflect differently.

3.2 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the percentage of vacant posts and whether there are any staff that are additional to the establishment. 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 2013

Programme	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy rate taking additional staff into account
Programme 1	62	49	21.0	5	12.9
Programme 2	42	31	26.2	2	21.4
Programme 3	29	28	3.4	8	0
Programme 4	42	29	31.0	1	28.6
Programme 5	24	19	20.8	2	12.5
Programme 6	36	26	27.8	4	16.7
Programme 7	17	11	35.3	1	29.4
Total	252	193	23.4	23	14.3

Table 3.2.2: Employment and vacancies by salary bands, as at 31 March 2013

Salary Band	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy rate taking additional staff into account
Lower skilled (Levels 1-2)	2	1	50.0	2	0
Skilled (Levels 3-5)	47	39	17.0	4	8.5
Highly skilled production (Levels 6-8)	73	53	27.4	4	21.9
Highly skilled supervision (Levels 9-12)	111	85	23.4	11	13.5
Senior management (Levels 13-16)	19	15	21.1	2	10.5
Total	252	193	23.4	23	14.3

Note: The information in each case reflects the situation as at 31 March 2013. 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 2013

Critical Occupations	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Persons additional as a % of number of funded posts
None					
Total					

3.3 Job evaluation

The Public Service Regulations, 2001 as amended, introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any 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 2012 to 31 March 2013

Salary Band	Total number of posts	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	% of number of posts	Number	% of number of posts
Lower skilled (Levels 1-2)	2	0	0.0	0	0.0	0	0.0
Skilled (Levels 3-5)	47	0	0.0	0	0.0	0	0.0
Highly skilled production (Levels 6-8)	73	1	0.4	0	0.0	0	0.0
Highly skilled supervision (Levels 9-12)	111	0	0.0	0	0.0	0	0.0
Senior Management Service Band A (Level 13)	14	0	0.0	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	4	0	0.0	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	1	1	0.4	0	0.0	0	0.0
Total	252	2	0.8	0	0.0	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.

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

Table 3.3.2 provides a summary of the number of employees by race, gender and disability whose salary positions were upgraded due to their posts being upgraded.

Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2012 to 31 March 2013

Beneficiaries	African	Indian	Coloured	White	Total
Female	1	0	3	0	4
Male	0	0	0	0	0
Total	1	0	3	0	4
Employees with a disability					0

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 shows that during the year under review no employees' salary positions exceed the grade determined by job evaluation (including higher notches awarded).

Total number of employees whose salaries exceed the level determined by job evaluation (including awarding of higher notches) in 2012/2013	None
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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 2012 to 31 March 2013

Salary Band	Number of employees per band as at 31 March 2012	Turnover rate 2011/12 by salary band	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2012/13 by salary band
Lower skilled (Levels 1-2)	4	0.0	0	0	1	0	25.0
Skilled (Levels 3-5)	41	19.5	11	1	6	3	22.0
Highly skilled production (Levels 6-8)	68	7.7	4	2	12	3	22.1
Highly skilled supervision (Levels 9-12)	97	7.0	12	2	11	7	18.6
Senior Management Service Band A (Level 13)	11	9.1	1	0	1	0	9.1
Senior Management Service Band B (Level 14)	4	0.0	0	0	0	0	0.0
Senior Management Service Band C (Level 15)	2	0.0	0	0	0	0	0.0
Total	227	9.6	28	5	31	13	19.4
			33		44		

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 2012 to 31 March 2013

Critical Occupation	Number of employees per band as at 31 March 2012	Turnover rate 2011/12 by salary band	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2012/13 by salary band
None							

Table 3.4.3: Staff leaving the employment of the department, 1 April 2012 to 31 March 2013

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2012
Death	1	2.3	0.5
Resignation *	20	45.5	10.6
Expiry of contract	10	22.7	5.3
Transfers to other Public Service departments	13	29.5	6.9
Total	44	100.0	23.4

Note: Table 3.4.3 identifies the various exit categories for those staff members who have left the employment 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 2012 to 31 March 2013

Resignation Reasons	Number	% of total resignations
Better Remuneration	2	10
Nature of work	1	5
No reason provided	17	85
Total	20	100.0

Table 3.4.5: Different age groups of staff who resigned, 1 April 2012 to 31 March 2013

Age group	Number	% of total resignations
Ages 25 to 29	6	30.0
Ages 30 to 34	6	30.0
Ages 35 to 39	4	20.0
Ages 40 to 44	3	15.0
Ages 45 to 49	1	5.0
Total	20	100.0

Table 3.4.6: Shows that during the year under review no employee initiated severance packages were granted

Total number of employee initiated severance packages in 2012/ 2013	None
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Table 3.4.7: Promotions by, 1 April 2012 to 31 March 2013

Salary Band	Employees as at 31 March 2012	Promotions to another salary level	Promotions as a % of employees by salary band	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	4	0	0.0	1	25.0
Skilled (Levels 3-5)	41	0	0.0	27	65.9
Highly skilled production (Levels 6-8)	68	1	1.5	37	54.4
Highly skilled supervision (Levels 9-12)	97	2	2.1	70	72.2
Senior management (Levels 13-16)	17	0	0.0	11	64.7
Total	227	3	1.3	146	64.3

Table 3.4.7: Promotions by critical occupation, 1 April 2012 to 31 March 2013

Critical Occupation	Employees as at 31 March 2012	Promotions to another salary level	Promotions as a % of employees by salary band	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
None					
Total					

3.5 Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act 55 of 1998. The information provided in this section depicts the Department's demographic composition by race, gender and disability, as required by the Employment Equity Act and the Department of Public Service and Administration. Positions in our post establishment require various academic qualifications such as a Senior Certificate, technical qualification or graduate and post-graduate degrees, as well as certain competency levels. The Employment Equity Act states that in determining whether designated groups are equitably represented within an occupational category and level in an employer's workforce, a number of factors must be taken into account, including the pool of suitably qualified people from designated groups from which the employer may reasonably be expected to promote or appoint employees. The figures presented in this section do not take these factors into account and do not reflect the fact that the population statistics provided by the 2011 Census reveal that a very small percentage of the Western Cape population have Matric and tertiary qualifications, which constitute the pool of "suitably qualified people" from which the Western Cape Government can employ staff (as specified by the Employment Equity Act and Public Service Regulations). The Department is continuing to invest in measures to broaden the pool of suitably qualified people who can compete for its employment opportunities to broaden its equitable representation in all occupational categories and levels in the workforce.

Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2013

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	2	0	0	0	0	0	0	0	0	2
Senior management (Levels 13-14)	2	4	0	1	2	4	1	0	1	0	15
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	4	28	1	7	6	34	3	11	2	0	96
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	7	14	0	1	12	19	0	4	0	0	57
Semi-skilled and discretionary decision making (Levels 3-5)	5	2	1	1	6	25	0	3	0	0	43
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	1	1	0	0	0	0	3
Total	18	51	2	10	27	83	4	18	3	0	216
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	18	51	2	10	27	83	4	18	3	0	216

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.

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 2013

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	1	0	0	0	2
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	1	0	0	0	3
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	0	1	0	0	0	1	1	0	0	0	3

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 2012 to 31 March 2013

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	1	0	1
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	3	5	0	2	0	3	0	0	1	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	2	0	0	0	4	0	0	0	0	6
Semi-skilled and discretionary decision making (Levels 3-5)	4	0	0	0	2	6	0	0	0	0	12
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
Total	7	7	0	2	2	13	0	0	2	0	33
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	7	7	0	2	2	13	0	0	2	0	33

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 2012 to 31 March 2013

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	2	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	0	0	0	1	0	0	0	0	0	1
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	1	2	0	0	0	0	3
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	0	0	0	0	1	2	0	0	0	0	3

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 2012 to 31 March 2013

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)	1	0	0	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	4	3	0	0	0	0	1	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	4	2	0	0	2	6	0	0	0	0	14
Semi-skilled and discretionary decision making (Levels 3-5)	2	2	0	0	1	9	0	1	0	0	15
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	5	1	0	0	0	0	6
Total	11	7	0	0	8	16	1	1	0	0	44
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	11	7	0	0	8	16	1	1	0	0	44

A = African; C = Coloured; I = Indian; W = White.

Note: Terminations refer to those employees who have left the employment of the Department, including transfers to other departments, as per Table 3.4.1.

Table 3.5.6: Disciplinary actions, 1 April 2012 to 31 March 2013

Disciplinary Actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Final written warning	0	0	0	0	1	0	0	0	0	0	1
Total	0	0	0	0	1	0	0	0	0	0	1

A = African; C = Coloured; I = Indian; W = White.

Note: The disciplinary actions total refers to formal outcomes. 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 2012 to 31 March 2013

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	0	1	0	0	0	2	0	0	3
Senior management (Levels 13-14)	3	1	0	1	2	1	1	0	9
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	4	7	1	3	0	10	1	3	29
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	7	19	0	3	8	26	3	6	72
Semi-skilled and discretionary decision making (Levels 3-5)	6	4	0	0	9	13	0	1	33
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	1	0	0	1
Total	20	32	1	7	19	53	5	10	147
Temporary employees	0	0	0	0	0	0	0	0	0
Grand total	20	32	1	7	19	53	5	10	147

A = African; C = Coloured; I = Indian; W = White.

Note: The above table refers to the total number of personnel who received training, and not the number of training courses attended by individuals. For further information on the actual training provided, please refer to Table 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 May 2012

SMS Level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100.0
Salary Level 15	0	1	1	100.0
Salary Level 14	4	4	4	100.0
Salary Level 13	14	12	10	83.3
Total	19	18	16	88.9

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 May 2012

Reasons for not concluding Performance Agreements with all SMS
1 x Appointment on 16 April 2012
1 x Special Leave for study purposes

Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2012

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
None Required

3.7 Filling of SMS posts

Table 3.7.1: SMS posts information, as at 30 September 2012

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.00	0	0.00
Salary Level 15	0	0	0.00	0	0.00
Salary Level 14	4	4	100.00	0	0.00
Salary Level 13	14	10	71.43	4	28.57
Total	19	15	78.95	4	21.05

Table 3.7.2: SMS posts information, as at 31 March 2013

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.00	0	0.00
Salary Level 15	0	0	0.00	0	0.00
Salary Level 14	4	4	100.00	0	0.00
Salary Level 13	14	10	71.43	4	28.57
Total	19	15	78.95	4	21.05

Table 3.7.3: Advertising and Filling of SMS posts, as at 31 March 2013

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per Level Advertised within six months of becoming vacant	Number of vacancies per Level Filled within six months of becoming vacant	Number of Vacancies per Level not Filled in six months but filled in 12 months
Head of Department	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	1	0	0
Total	1	0	0

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
Head of Department	None
Salary Level 15	None
Salary Level 14	None
Salary Level 13	Director: Enterprise Development It was decided not to proceed with the filling of the vacancy until the restructuring process of the Department is finalised.
	Director: Commercial Arts and Entertainment It was decided not to proceed with the filling of the vacancy until the restructuring process of the Department is finalised.
	Chair: Western Cape Liquor Board In the previous reporting period, the filling of the post was put on hold as a result of the proclamation of the Western Cape Liquor Board Act and the subsequent establishment of the Liquor Authority.

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 Performance Rewards

To encourage good performance, the Department has granted the following performance rewards allocated to personnel for the performance period 2011/12, but paid in the financial year 2012/13. 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 3.8.1: Notch progressions by salary band, 1 April 2012 to 31 March 2013

Salary Band	Employees as at 31 March 2012	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	4	1	25.0
Skilled (Levels 3-5)	41	27	65.9
Highly skilled production (Levels 6-8)	68	37	54.4
Highly skilled supervision (Levels 9-12)	97	70	72.2
Senior management (Levels 13-16)	17	11	64.7
Total	227	146	64.3

Table 3.8.2: Notch progressions by critical occupation, 1 April 2012 to 31 March 2013

Salary Band	Employees as at 31 March 2012	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
None			

Table 3.8.3: Performance rewards by race, gender, and disability, 1 April 2012 to 31 March 2013

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2012	% of total within group	Cost (R'000)	Average cost per beneficiary
African	7	56	12.5	135	19 264
Male	1	23	4.3	27	26 858
Female	6	33	18.2	108	17 999
Coloured	26	135	19.3	637	24 511
Male	8	50	16.0	207	25 909
Female	18	85	21.2	430	23 890
Indian	0	6	0.0	0	0
Male	0	2	0.0	0	0
Female	0	4	0.0	0	0
White	5	27	18.5	147	29 432
Male	2	8	25.0	75	37 482
Female	3	19	15.8	72	24 065
Employees with a disability	3	3	100.0	47	15 583
Total	41	227	18.1	966	23 562

Note: The above table relates to performance rewards for the performance year 2011/12 and payment effected in the 2012/13 reporting period.

Table 3.8.4: Performance rewards by salary bands for personnel below Senior Management Service level, 1 April 2012 to 31 March 2013

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2012	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	0	2	0.0	0	0	0.0
Skilled (Levels 3-5)	5	32	15.6	39	7 868	0.1
Highly skilled production (Levels 6-8)	10	58	17.2	153	15 304	0.2
Highly skilled supervision (Levels 9-12)	22	80	27.5	589	26 783	0.8
Total	37	172	21.5	781	21 124	1.1

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 2012 to 31 March 2013

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2012	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	1	11	9.1	39	38 569	0.3
Senior Management Service Band B (Level 14)	3	4	75.0	146	48 628	1.0
Senior Management Service Band C (Level 15)	0	1	0.0	0	0	0.0
Senior Management Service Band D (Level 16)	0	0	0.0	0	0	0.0
Total	4	16	25.0	185	46 113	1.2

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 2012 to 31 March 2013

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2012	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
None						

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 2012 to 31 March 2013

Salary Band	1 April 2012		31 March 2013		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)	0	0.0	0	0.0	0	0.0
Senior management (Levels 13-16)	0	0.0	0	0.0	0	0.0
Total	0	0.0	0	0.0	0	0.0

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 2012 to 31 March 2013

Major Occupation	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
None						

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 2012 to 31 December 2012

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 2012 to 31 December 2012

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	27	59.3	2	4	50.0	14	7
Skilled (Levels 3-5)	252	82.1	41	53	77.4	6	103
Highly skilled production (Levels 6-8)	346	76.3	60	71	84.5	6	264
Highly skilled supervision (Levels 9-12)	467	72.6	81	111	73.0	6	580
Senior management (Levels 13-16)	53	73.6	12	18	66.7	4	102
Total	1145	75.5	196	257	76.3	6	1 056

Note: The three-year sick leave cycle started in January 2010. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, please refer to Table 3.10.2.

Table 3.10.2: Incapacity leave, 1 January 2012 to 31 December 2012

Salary Band	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0.0	0	4	0.0	0	0
Skilled (Levels 3-5)	2	100.0	1	53	1.9	2	1
Highly skilled production (Levels 6-8)	3	100.0	1	71	1.4	3	2
Highly skilled supervision (Levels 9-12)	7	100.0	1	111	0.9	7	12
Senior management (Levels 13-16)	0	0.0	0	18	0.0	0	0
Total	12	100.0	3	257	1.2	4	15

Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his 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 (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the employer's discretion, as provided for in the Leave Determination and Policy on Incapacity Leave and Ill-Health Retirement (PIHR).

Table 3.10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Commission Bargaining Chamber (PSCBC) 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 2012 to 31 December 2012

Salary Band	Total days taken	Total number employees using annual leave	Average days per employee
Lower skilled (Levels 1-2)	60	4	15
Skilled (Levels 3-5)	786	53	15
Highly skilled production (Levels 6-8)	1 305	65	20
Highly skilled supervision (Levels 9-12)	1 927	106	18
Senior management (Levels 13-16)	371	18	21
Total	4 449	246	18

Table 3.10.4: Capped leave, 1 January 2012 to 31 December 2012

Salary Band	Total capped leave available as at 31 Dec 2011	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 2012	Total capped leave available as at 31 Dec 2012
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	15	0	0	0	1	13
Highly skilled production (Levels 6-8)	54	1	1	1	7	54
Highly skilled supervision (Levels 9-12)	493	3	1	3	18	488
Senior management (Levels 13-16)	17	0	0	0	3	17
Total	579	4	2	2	29	572

Table 3.10.5 summarises payments made to employees as a result of leave that was not taken.

Table 3.10.5: Leave pay-outs, 1 April 2012 to 31 March 2013

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs for 2012/13 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2012/13	0	0	0
Current leave pay-outs on termination of service 2012/13	9	2	4 323
Total	9	2	4 323

3.11 HIV and AIDS and Health Promotion Programmes

Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2012 to 31 March 2013

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
<p>The nature of the Department's work does not expose employees to increased risk of contracting HIV/AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.</p>	<p>HIV/AIDS Counselling and Testing [HCT] and Wellness screenings were delivered 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] 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 • Training, coaching and targeted Interventions where required.

Table 3.11.2: Details of Health Promotion and HIV and AIDS Programmes, 1 April 2012 to 31 March 2013

Question	Yes	No	Details, if yes
<p>1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.</p>	✓		<p>Due to the corporatisation of the Employee Health and Wellness function, the Acting Director: Organisational Behaviour, Denver Heynes (Department of the Premier), fulfilled this role.</p>
<p>2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.</p>	✓		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to eleven participating departments, including the Department Economic Development and Tourism.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the eleven departments.</p> <p>The unit consists of a Deputy Director, three Assistant Directors, (four team members and one intern who has since left the Directorate Organisational Behaviour in the fourth quarter for furthering her studies). Budget: R2.5 million</p>

Question	Yes	No	Details, if yes
<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>	✓		<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 serviced by the Corporate Services Centre [CSC].</p> <p>The Department conducted interventions, namely Managerial Induction, Employee Induction, Stress Management, Abuse and Sexual Health Awareness, Work Life Balance, Employee Advocacy Awareness, Personal Finance, Managerial Referral, Substance Abuse Financial Well-being Managerial Referral 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 2012/13. The reports were based on the utilisation of the EHW services and management information 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 abovementioned interventions were conducted for the targeted departments, including managers and supervisors.</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>
<p>4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) they represent.</p>	✓		<p>A new Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>The Departmental members are: C Julies and P Martin</p>

Question	Yes	No	Details, if yes
<p>5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	✓		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape 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 co-ordinate 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 Cape Government. The document is in line with the four pillars of the EHW Strategic Framework 2008.</p>

Question	Yes	No	Details, if yes
<p>6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.</p>	✓		<p>The Department implemented existing legislative and policy frameworks as well as Monitoring and Evaluation guidelines, which have been developed by DPSA. The overarching aim of these frameworks is to protect HIV-positive employees by advocating the implementation of the Three Zeros in line with the Joint United Nations Programme on HIV and 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 is conducting the HCT and Wellness screenings to ensure that every employee in the Departments of the Western Cape Government is tested for HIV and screened for TB, at least annually,</p> <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 Employee Relations Directorate addresses complaints or grievances and provides training to employees. • 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 conducted as well.

Question	Yes	No	Details, if yes
<p>7. Does the Department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have you achieved.</p>	✓		<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> <ul style="list-style-type: none"> • The Department of Economic Development and Tourism participated in 3 HCT and Wellness screenings. • Thirty-one employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's). • There were 0 clinical referrals for TB, HIV or any other STIs.
<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>	✓		<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 2012 – 2013.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, number of cases.</p> <p>The review further provides among 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 2012 to 31 March 2013

Total collective agreements	None
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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 2012 to 31 March 2013

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0.0
Verbal warning	0	0.0
Written warning	0	0.0
Final written warning	1	100.0
Suspension without pay	0	0.0
Fine	0	0.0
Demotion	0	0.0
Dismissal/ desertion	0	0.0
Not guilty	0	0.0
Case withdrawn	0	0.0
Total	1	100.00
Percentage of total employment	0.3	

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2012 to 31 March 2013

Type of misconduct	Number	% of total
Unauthorised Access to Confidential Information	1	100.0
Total	1	100.00

Table 3.12.4: Grievances lodged, 1 April 2012 to 31 March 2013

Grievances lodged	Number	% of total
Number of grievances resolved	1	25.0
Number of grievances not resolved	3	75.0
Total number of grievances lodged	4	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 2012 to 31 March 2013

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0.0
Number of disputes dismissed	2	100.0
Total number of disputes lodged	2	100.0

Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC).

Table 3.12.6: Strike actions, 1 April 2012 to 31 March 2013

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 2012 to 31 March 2013

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 while the case is being investigated.

3.13 Skills development

This section highlights the efforts of the Department with regards 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 2012 to 31 March 2013

Occupational Categories	Gender	Number of employees as at 1 April 2012	Training needs identified at start of reporting period			
			Learner-ships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	8	0	8
	Male	10	0	10	0	10
Professionals	Female	12	0	64	0	64
	Male	8	0	35	0	35
Technicians and associate professionals	Female	65	0	180	0	180
	Male	36	0	51	0	51
Clerks	Female	51	0	151	0	151
	Male	22	0	44	0	44
Service and sales workers	Female	1	0	0	0	0
	Male	3	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	2	0	0	0	0
Sub Total	Female	140	0	403	0	403
	Male	82	0	140	0	140
Total		222	0	543	0	543
Employees with disabilities	Female	2	0	0	0	0
	Male	1	0	0	0	0

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Work Place Skills Plan.

Table 3.13.2: Training provided, 1 April 2012 to 31 March 2013

Occupational Categories	Gender	Number of employees as at 1 April 2012	Training needs identified at start of reporting period			
			Learner-ships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	9	0	9
	Male	10	0	11	0	11
Professionals	Female	10	0	25	0	25
	Male	8	0	18	0	18
Technicians and associate professionals	Female	62	0	82	0	82
	Male	41	0	55	0	55
Clerks	Female	61	0	78	0	78
	Male	28	0	49	0	49
Service and sales workers	Female	1	0	1	0	1
	Male	1	0	1	0	1
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	145	0	195	0	195
	Male	90	0	134	0	134
Total		235	0	329	0	329
Employees with disabilities	Female	2	0	0	0	0
	Male	1	0	0	0	0

Note: The above table identifies the number of training courses attended by individuals 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 2012 to 31 March 2013

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0.0
Temporary disablement	2	100.0
Permanent disablement	0	0.0
Fatal	0	0.0
Total	2	100.0
Percentage of total employment		0.6

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds

Project Title	Total Number Of Consultants That Worked On The Project	Duration of the Contract (Months)	BBBEE Rating	Amount Paid
Artisan development research study	4	5 Months	2	R836 920.00
BBBEE verification	3	7 Months	4	R356 367.92
Business competitiveness programme	15	3 Months each Consultant	3 or 4	R858 868.00
Cape health technology park	1	1 Month	2	R297 600.00
Cape mountain passes	1	1 Month	N/A	R23 078.69
Career awareness	6	5 Months	4	R297 430.00
Design park	5	5 Months	4	R1 039 483.00
Economic synthesis report	4	8 Months	N/A	R498 000.00
E-education	6	3 Months	2	R1 533 006.00
EMC system	13	1 Month	1	R313 040.80
Entrepreneurship innovation	3	6 Months	4	R300 000.00
Fish waste	5	1 Month	2	R197 500.00
Food standards and safety products	14	4 Months	N/A	R1 000 000.00
Foreign language training	3	6 Months	4	R94 360.00
Future Cape 2040	18	7 Months	3	R1 490 000.00
Gel fuel feasibility study	5	6 Months	N/A	R414 800.00
Green Cape	3	2 Months	4	R153 900.00

Project Title	Total Number Of Consultants That Worked On The Project	Duration of the Contract (Months)	BBBEE Rating	Amount Paid
Green economy strategy	3	2 Months	4	R473 632.00
Illegal guiding inspections	14	9 Months	4	R105 926.00
Internet marketing	4	4 Months	5	R207 753.60
Knysna business climate survey	10	3 Months	4	R199 400.00
LED growth fund	2	9 Months	N/A	R716 000.00
LED maturity assessment	1	5 Months	N/A	R299 000.00
Legacy mentorship	77	3 Months each Consultant	3 or 4	R1 225 350.06
Monitoring and Evaluation Projects	7	2 Months each project	3 or 4	R1 017 626.20
Natural gas	1	3 Months	4	R299 999.00
Ostrich study	7	2 Months	4	R46 740.00
Tourist guide presentation and communication skills	2	6 Months	4	R62 820.00
Priority sector study	7	1 Month	2	R95 683.16
Professional facilitator port precinct	1	6 Months	N/A	R120 000.00
Quarterly economic review	3	1 Month	N/A	R41 474.00
Broadband readiness advisor	1	36 Months	3	R1 646 458.64
Red tape reduction	1	4 Months	4	R296 274.87
Red tape reduction - immigration	2	12 Months	3	R48 147.91
Research in 5 municipalities	6	6 Months	4	R475 000.00
SA host training	2	4 Months	3	R309 846.30
Saldanha IDZ project	1	4 Months	3	R487 920.00
Saldanha wireless mesh	4	15 Months	2	R99 931.98
SAOGA port	6	8 Months	N/A	R205 200.00
Supplier development	13	1 Month each Contract	3 or 4	R645 351.60
Tourism business advisor Eden and Central Karoo	2	9 Months	3	R198 000.00
Broadband technical advisor	1	2 Months	3	R499 590.00
Tourism enterprise intermediate 201 training	11	5 Months	3	R322 648.50

Project Title	Total Number Of Consultants That Worked On The Project	Duration of the Contract (Months)	BBBEE Rating	Amount Paid
Tourism niche market production audit	3	2 Months	N/A	R117 312.00
Tourist guide training	2	6 Months	4	R169 946.00
Transaction advisor	42	18 Months	3	R13 232 533.93
Work and skills programme - rollout	12	11 Months	3	R7 598 050.00
Work and skills programme training	19	6 Months	1	R1 368 000.00
Cape town entrepreneurship week	1	5 Months	N/A	R500 000.00
Food standards and certification support programme	6	7 Months	N/A	R400 000.00
Informal sector research study	3	7 Months	4	R740 000.00
M&E led growth fund	1	2 Months	3	R210 900.00
Social media training	1	4 Months	3	R101 680.00
Fraud risk assessment	4	12 Months	2	R284 675.33
LED capacity building 2	3	1 Month	3	R50 000.00
LED capacity building 1	2	1 Month	3	R147 000.00
Co-operative support project	9	3 Months each Consultant	3 or 4	R224 529.51
LED capacity building 4	1	3 Months	N/A	R9 600.00
LED capacity building 3 – PACA process	2	5 Months	4	R399 000.00
Enterprise development assessments	8	1 Month	3	R188 500.00
Tourism business advisor Cape Town and West Coast	1	9 Months	4	R208 450.00
SPV governance assessment	1	3 Months		R165 699.00
Integration between Pastel and liquor licence system	2	1 Month	4	R45 144.00
Red tape informal sector	7	1 Month	2	R57 243.64
Culture and heritage strategy	2	4 Months	3	R95 000.00
Grand Total				R45 952 491.64

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

1.1 General review of the state of financial affairs

During the 2012/13 financial year, the Department was allocated an original budget of R291.117 million. This budget was allocated as follows:

Programme 1: Administration – R27.738 million

Programme 2: Integrated Economic Development Services – R45.228 million

Programme 3: Trade and Sector Development – R95.658 million

Programme 4: Business Regulation and Governance – R24.404 million

Programme 5: Economic Planning – R19.929 million

Programme 6: Tourism, Arts and Entertainment – R53.040 million

Programme 7: Skills Development and Innovation – R25.120 million

During the Adjustment Estimate process, an additional allocation of R24.468 million was allocated to the Department. Of this, R7.5 million was allocated to the broadband project; R3.6 million was allocated to the Western Cape Economic Development Partnership. A further R1.487 million was allocated to the Western Cape Liquor Authority as a result of revenue retention and R8.251 million was allocated to the Western Cape Liquor Authority as a result of increased own revenue and R3.755 million was allocated to the National Empowerment Fund.

Post Adjustment Estimate the adjusted budget of R315.585 million was allocated per programme as follows:

Programme 1: Administration – R27.286 million

Programme 2: Integrated Economic Development Services – R48.297 million

Programme 3: Trade and Sector Development – R103.269 million

Programme 4: Business Regulation and Governance – R34.532 million

Programme 5: Economic Planning – R23.679 million

Programme 6: Tourism, Arts and Entertainment – R51.517 million

Programme 7: Skills Development and Innovation – R27.005 million

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2013

As at 31 March, the Department expended 99,6% or R314.344 million of its allocated budgets in the execution of its mandate, as articulated in Strategic Objective 1: Creating Opportunities for growth and jobs. The financial position of the Department is displayed in the table below.

Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	27 286	–	(2 032)	25 254	25 210	44
2. Integrated Economic Development Services	48 297	–	3 025	51 322	51 306	16
3. Trade and Sector Development	103 269	–	(993)	102 276	101 296	980
4. Business Regulation and Governance	34 532	–	339	34 871	34 820	51
5. Economic Planning	23 679	–	1 081	24 760	24 737	23
6. Tourism, Arts and Entertainment	51 517	–	(1 104)	50 413	50 345	68
7. Skills Development and Innovation	27 005	–	(316)	26 689	26 630	59
Total	315 585	–	–	315 585	314 344	1 241

2. SERVICES RENDERED BY THE DEPARTMENT

2.1 Services rendered

During the 2012/13 financial year, the Department rendered services in respect of tourist guide registration. The issuing of liquor licenses has been accepted by the Western Cape Liquor Authority as of 1 April 2012, upon their incorporation as a legal entity.

2.2 Tariff policy

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

2.3 Inventories

No inventories were on hand at year-end. All items are issued upon receipt.

3. CAPACITY CONSTRAINTS

As stated in previous Annual Reports, the primary challenge the Department experienced relates to its ability to attract suitably qualified persons as well as delays in the recruitment and selection process. A further exacerbation of this challenge is the loss of key personnel. This loss results in not only the loss of a human resource but invariably of institutional memory.

Furthermore, the introduction of SO1: Creating opportunities for growth and jobs, necessitated the Department to undertake a role change - from an interventionist one to a leadership role in the economy. This shift in focus resulted in the Department undertaking an organisational design exercise that is aimed at not only assisting in placing the correct human resources where most needed, but also to ensure that there will be a sufficient staff complement to undertake the Department's interventions.

4. UTILISATION OF DONOR FUNDS

No donor funds were received during the year under review.

5. TRADING ENTITIES AND PUBLIC ENTITIES

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

- a) Western Cape Investment and Trade Promotion Agency (Wesgro)
- b) The Destination Marketing Organisation (trading as Cape Town Routes Unlimited)
- c) The Western Cape Liquor Authority.

Western Cape Investment and Trade Promotion Agency (Wesgro)

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

An amount of R26.762 million was transferred to Wesgro in the 2012/13 financial year. This represents an increase of 78,93% when compared to the 2011/12 financial year, where an amount of R14.956 million was transferred.

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

Destination Marketing Organisation (DMO)

The DMO was established in terms of the Provincial Western Cape Tourism Act (Act 1 of 2004). The major objective of the DMO is to promote the Western Cape and Cape Town as a premier tourist destination. An amount of R25 million was transferred to the DMO in the 2012/13 financial year. This represents a decrease of 29,45 % when compared to the 2011/12 financial year, where an amount of R35.439 million was transferred.

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

Western Cape Liquor Authority (WCLA)

The WCLA was established in terms of the Western Cape Liquor Act No. 4 of 2008 and the subsequent Western Cape Liquor Amendment Act, 2010 (Act 10 of 2010).

An amount of R24.762 million was transferred to the WCLA in the 2012/13 financial year. During the 2011/12 financial year, an amount of R9.333 million was expended for the execution of its functions.

The primary purpose of this allocation was to provide for the setup and operational costs of the entity, including salaries.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

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

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

No activities were undertaken during the 2012/13 financial year.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The Western Cape Government adopted an Anti-Corruption Strategy, which confirms the province's zero tolerance stance toward fraud and corruption. The Department furthermore has an approved Fraud Prevention Plan.

Forensic Investigations continued to be offered by the shared Forensic Investigating Unit, which was corporatised in the Corporate Service Centre in the Department of the Premier. Various channels for reporting allegations of fraud and corruption exist, and these are described in detail in the Anti-Corruption Strategy and the Departmental Fraud Prevention Plan. Each allegation received by the Forensic Investigating Unit is recorded in a Case Management System, which is used as a management tool to report on progress made on cases relating to the Department.

We protect employees who blow the whistle on suspicions of fraud, corruption and theft if the disclosure is a protected disclosure (i.e. not malicious). 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 employee who participated in these acts is subjected to a disciplinary hearing. In all such instances, the WCG representative who initiates 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.

The requirements of the King III report regarding the responsibilities of Accounting Officers, should also be addressed. Departments should follow the requirements listed in section 38 and 40 of the Public Finance Management Act (PFMA).

The Department regards the conflict of interest as an important focus area within supply chain management. All supply chain management officials sign a code of conduct shortly after their assumption of duty. The contents of the code of conduct are discussed with each employee so that they are aware of the serious nature of this document. 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. Suppliers are required to complete the WCBD4 document, which requires them to disclose any family members that are involved in the procurement process or employed within the Department. The information on the WCBD 4 is verified by the Department prior to the evaluation of the bid/quotation.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

No activities were discontinued during the 2012/13 financial year.

10. NEW/PROPOSED ACTIVITIES

During the 2013/14 financial year the Department created a new sub-programme under the Economic Planning Programme that would mobilise stakeholders and build leadership around a shared economic vision and strategy, a common agenda and joint action plans and projects. The new sub-programme was named Western Cape Economic Development Partnership.

Furthermore, to enable the accommodation of the new Provincial economic theme of the Green Economy, a new element was created in Programme 5: Economic Planning to implement the Green Economy Strategic Framework and attract investment opportunities into the Province for Green Technologies.

11. ASSET MANAGEMENT

All assets procured during the current and prior periods have been included on the asset register. The contents of the asset register are aligned to the minimum requirements as contained in the National Treasury guideline for asset management. Monthly reconciliations are completed between BAS and our Excel asset register. The reason for the maintenance of the Excel asset register was due to this being the first year of implementation of the LOGIS system and the Department had an objective of ensuring the accuracy and completeness of the assets on the LOGIS system.

12. INVENTORIES

The Department has disclosed the inventories in the appropriate annexures as required in terms of the guidelines for the preparation of the financial statements. The Department does not have a physical store because we only procure inventory based on the demand identified by the end user and when the inventories are delivered, they are issued immediately to the relevant staff.

13. EVENTS AFTER THE REPORTING DATE

No significant events occurred after the reporting date.

14. INFORMATION ON PREDETERMINED OBJECTIVES

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

All actual information provided is also verified by the Internal Control Unit, who regularly conducts Audits on Performance Information to verify the actual achievements claimed by management during the quarterly and annual reporting processes.

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

15. SCOPA RESOLUTIONS

Root Cause of Problem	Scopa Resolution	Action taken on SCOPA resolutions, including associated costs	Impact on future financial years
Internal Audit: The Committee shares the concern expressed by the Audit Committee, the Minister and HODs of all departments that further audit coverage, is required and that there is a need for additional capacity, particularly financial, to support the increased coverage of high risk areas. The audit coverage for the 2011/12 financial year is at 25%, compared to 27,78% for the 2010/11 financial year.	Internal Audit: The Ministers and HODs continue to engage with Cabinet and Provincial Treasury in this regard, with the view of significantly increasing audit coverage over the medium term, in order to reduce the negative impact on future audit outcomes, service delivery and on the achievement of predetermined objectives, particularly in high-risk areas.	The HOD has included all high-risk areas identified in the strategic risk register in the Internal Audit Plan and if further areas are identified within the 2013/2014 financial year, these will be added to the original plan at an additional cost. The Department has also identified other assurance providers within the combined assurance model to ensure that all risks to the Department are reduced to an acceptable level.	The Department will ensure that all risks associated to the Department are included on the internal audit plan where other assurance providers do not cover it.
A detailed breakdown of the expenditure incurred by the Western Cape Liquor Authority was not provided to SCOPA.	The Department prepares a presentation with details of the Western Cape Liquor Board's activities and financial statements for the year to the Committee.	The Western Cape Liquor Authority prepared a presentation on the expenditure incurred by the entity to SCOPA. This presentation also included other details pertaining to the entity, including the status of the Western Cape Liquor Authority as a newly established entity.	The Western Cape Liquor Authority will prepare a detailed set of Annual Financial Statements that will be audited by the Auditor General.
SCOPA Resolutions: The Committee thanked the Department for addressing the Committee's resolutions in the previous year and for including these in the annual report for the period under review.	A new report template to be designed relating to the Department's actions on SCOPA resolutions and requests that the Department replaces the old report template with this for the 2012/13 annual report onwards, once received.	The Department has received and completed the new template.	This template will be used for all financial years going forward unless instructed otherwise.

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2013

Root Cause of Problem	Scopa Resolution	Action taken on SCOPA resolutions, including associated costs	Impact on future financial years
Procurement and Contract Management: The Committee noted the Auditor General's finding that goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.	The Department introduces procedures and mechanisms to detect and prevent such instances from occurring in the future.	The Department has revisited all NTRs and PTIs to ensure that all legislation have been translated correctly into the departmental Financial Manual.	The Department will review all NTRs and PTIs annually to ensure alignment.
Financial and Performance Management: The Committee is concerned that supply chain and human resource managers are not exercising adequate controls to ensure compliance with SCM regulations and Public Service Regulations.	The Department implements and exercises adequate monitoring controls to ensure compliance with SCM regulations and Public Service Regulations.	The Department has conducted a SCM project file review to ensure compliance to the treasury regulations and has conducted a Human Resource audit to ensure that the Public Service Regulations have been adhered to. The findings raised were communicated to management for further action where required.	The Supply Chain and Human Resource inspections will be conducted annually.
Expenditure Management: The Committee is concerned that the Accounting Officer did not take effective steps to prevent irregular expenditure of R5.49 million, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.	The Department urgently designs and implements adequate prevention and detection controls to ensure that irregular expenditure does not occur.	The Department has designed a supply chain management checklist, which includes all compliance requirements that is used by a financial management task team to ensure compliance to all prescripts.	The checklist will be revised annually to ensure alignment to the prescripts.
Human Resource management: The Committee is concerned that appointments that were made without the involvement and recommendation of a selection committee, in contravention of the Public Service Regulation 1/V11/1-4; that employees were appointed without following a proper process to verify the claims made in their application, in contravention of Public Service Regulation 1/v11/D.8; and that HR policies and practices have not been adequately	The Department ensures that controls are developed and implemented that detect and prevent such instances from recurring in the future.	The Department has conducted a human resource audit to identify all the cases of non-compliance and has suggested recommendations to mitigate the cases on non-compliance as well as cases of control deficiencies within the process. These recommendations were addressed to both Corporate Services as well as to the HOD of the Department. We have also confirmed that some of the recommendations have been implemented.	The human resource inspection will be conducted annually at the Corporate Service Centre and at the Department.

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2013

Root Cause of Problem	Scopa Resolution	Action taken on SCOPA resolutions, including associated costs	Impact on future financial years
implemented to facilitate the completeness and accuracy of employee and related files and documentation.			
Leadership: The Committee raised a concern that the Accounting Officer did not adequately evaluate whether management has implemented effective internal controls to ensure that senior management has met its responsibilities.	The Department ensures that a mechanism is developed and implemented to prevent a recurrence of the contravention of the Public Service Regulation 1/VII/1-4.	The Department has conducted a human resource audit to identify all the cases of non-compliance and has suggested recommendations to mitigate the cases on non-compliance as well as cases of control deficiencies within the process. These recommendations were addressed to both Corporate Services as well as to the HOD of the Department. We have also confirmed that some of the recommendations have been implemented.	The human resource inspection to be conducted annually at the Corporate Service Centre and at the Department.
Investigations: The Committee thanks the Department for taking disciplinary actions against officials who have acted in ways deemed contrary to laws and regulations, etc. but notes that deterrence mechanisms can improve.	The Department briefs the Committee on why incorrect information was supplied to the Auditor-General for auditing purposes, what action was taken and what mechanisms were introduced to detect and prevent such recurrences. The Department briefs the committee on the mechanisms it has introduced to detect and prevent SCM fraud.	The Department has done a presentation to SCOPA addressing all their concerns raised, which included the detection and prevention controls within the supply chain management unit.	The controls identified and presented to SCOPA will be evaluated on a regular basis.
Accounting Policies: The Committee congratulates the Department for complying with generally accepted creditor-payment periods and legislated requirements for payment of creditors within 30 days of receipt of invoice.	The Department drafts a clause to be inserted into the Accounting Policies of the Department confirming its commitment to complying with generally accepted creditor-payment periods and legislated requirements for payment of creditors within 30 days of receipt of invoice.	The Department has included this in the Accounting Officer's report for 2012/2013 as required per Treasury Circular 20/2013 and it is included in the Departmental Financial Manual.	None
Losses and Impairment: The Committee has noted that there is an impairment amount	The Department conducts a more detailed follow-up presentation to the Committee on the	The Department did the presentation on the impairment in the Cape Town Convention Centre.	None

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2013

Root Cause of Problem	Scopa Resolution	Action taken on SCOPA resolutions, including associated costs	Impact on future financial years
(R116 million) indicated in the Annual Report, which relates to the Cape Town International Convention Centre.	Cape Town Convention Centre in respect of the impairment.		
Utilisation of Consultants: The Committee has noted that the Department is directly responsible for its telecommunications integration and additional strategic components, which are incorporated into the master implementation plan.	That the CE-I (located within the Department of the Premier) and the Department jointly present on the holistic and responsible indicators for Department's telecommunications integration and additional strategic components, which are incorporated into the master implementation plan.	The Department has presented the telecommunications integration and additional strategic components to the Committee.	None
The Committee was concerned that the Department does not have a policy that guides the receipt, assessment and awarding or refusal of application for gifts, donations and sponsorships to be made.	The Department drafts and adopts a policy that guides the HOD regarding receipt, assessment and awarding or refusal of application for gifts, donations and sponsorships to be made, and that it presents this to the Committee for deliberation; further that the Department includes more details relating to this in future annual reports.	The Department has a policy on gifts, donations and sponsorships, which is included in the departmental financial manual. The description of the gifts, donations and sponsorships will be included in the 2012/2013 annual financial statements.	Will be reported annually.
The Committee was concerned that no policy or register exists within the Department and the office of the Minister that manages heritage assets in terms of their identification, promotion, protection, conservation and value.	The Department drafts and adopts such a heritage asset policy and compiles such a register, in collaboration with the Western Cape Provincial Parliament, and Heritage Western Cape where necessary. The Committee resolved further that the Department tracks and monitors all movement relating to heritage assets, including details, with costs of acquisition, damage, disposal and loss of heritage assets and that all such details be included in its future annual reports.	The Department has drafted and adopted a heritage asset policy.	To be reviewed annually.

16. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
Quotations were awarded to suppliers who did not submit their SBD4s.	2010/2011	All suppliers are now required to submit the SBD4 declaration and this is verified by the financial management task team as part of the compliance check done before the awarding of contracts.
Goods and services with a transaction value between R10 000 and R500 000 were procured without obtaining written price quotations from at least three different prospective suppliers as per the requirements of Practice Note 8 of 2007/08 issued in terms of Treasury Regulation 16A6.1.	2011/2012	The Department has revisited all the prescripts relating to supply chain management to ensure alignment to the Department SCM policies and has encapsulated all compliance requirements in a SCM checklist.
HR: Lack of documentation on employee files - Appointments, it came to our attention that reasons for the selection committee's decision of selecting the employees that were appointed for the year under review could not be traced due to the lack of supporting documentation regarding appointments.	2011/2012	The Department has done a human resource inspection and has made recommendations to the Corporate Service Centre as well as the Department. A number of the recommendations have been implemented and the internal control unit will monitor this.

17. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

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

18. INTERIM FINANCIAL STATEMENTS

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

19. COMPLIANCE WITH 30 DAYS PAYMENTS

The Department generally does not have a problem with settling its payments to creditors within 30 days. We have had isolated incidents where creditors were paid later than 30 days, but this does not even constitute 1% of the entire payment population. We have implemented standards and structures of how invoices are received and how we evaluate the accuracy of the invoice and any other supporting documentation. This model has been successful, suppliers understand, and both parties must agree to the good or service being delivered satisfactorily prior to the payment being processed. The Department is also cognisant of the fact that internal processes cannot disadvantage a supplier and that an agreement must be reached when the payment should be reflected in the supplier's bank account.

20. OTHER

20.1 Financial Statements

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

20.2 Impairment of Investment

The calculation of the impairment is based on the percentage shareholding in the Cape Town International Convention Centre (Convenco). The share of the impairment forms part of the provisions disclosure note in accordance with the accounting policy for investments (see Note 12 and 28 to the Annual Financial Statements).

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

21. APPROVAL

The Annual Financial Statements set out on pages 171 to 216 have been approved by the Accounting Officer.



Solly Fourie

Head of Department

31 July 2013

ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Office is responsible for the preparation of the department's 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 designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements

In my opinion, the financial statements fairly reflects the operations of the department for the financial year ended 31 March 2013

The external auditors are engaged to express an independent opinion on the AFS of the Department.

The Department of Economic Development and Tourism AFS for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 168.

The Annual Financial Statements of the Department set out on page 171 to page 216 have been approved.



Solly Fourie

Accounting Officer

Department of Economic Development and Tourism

31 July 2013

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 171 to 216, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

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

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Economic Development and Tourism as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matter

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

Restatement of corresponding figure

8. As disclosed in note 28 to the financial statements, the corresponding figure of the impairment for 31 March 2012 has been restated as a result of an error discovered during the 2012-13 financial year in the financial statements of the Department at, and for the year ended, 31 March 2012.

Additional matters

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 217 to 222 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Financial reporting framework

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 34 to 114 of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability for the programmes selected for auditing. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information*.
- The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
15. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

16. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters.
17. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA.

Internal control

18. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with laws and regulations.
19. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

OTHER REPORTS

Investigations

20. An investigation is being conducted by the Forensic Investigating Unit at the request of the Accounting Officer to establish possible financial misconduct by employees in the procurement process during the previous year, which resulted in irregular expenditure. The investigation was still ongoing at the reporting date.

Auditor - General

Cape Town
31 July 2013



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Appropriation per programme									
2012/13								2011/12	
Appropriation statement	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. ADMINISTRATION									
Current payment	25 824	–	(2 032)	23 792	23 749	43	99.8%	19 739	19 739
Transfers and subsidies	14	–	–	14	14	–	100.0%	44	44
Payment for capital assets	1 448	–	–	1 488	1 447	1	99.9%	950	950
Payment for financial assets	–	–	–	–	–	–	–	32	32
	27 286	–	(2 032)	25 254	25 210	44		20 765	20 765
2. INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
Current payment	28 217	(1 041)	–	27 176	27 176	–	100.0%	23 347	23 347
Transfers and subsidies	19 760	1 041	3 025	23 826	23 826	–	100.0%	27 900	27 900
Payment for capital assets	320	–	–	320	304	16	95.0%	525	525
Payment for financial assets	–	–	–	–	–	–		10	10
	48 297	–	3 025	51 322	51 306	16		51 782	51 782
3. TRADE AND SECTOR DEVELOPMENT									
Current payment	45 359	(4 026)	(993)	40 340	40 340	–	100.0%	24 425	23 706
Transfers and subsidies	57 710	3 925	–	61 635	60 655	980	98.4%	44 557	44 557
Payment for capital assets	200	101	–	301	301	–	100.0%	274	274
	103 269	–	(993)	102 276	101 296	980		69 256	68 537
4. BUSINESS REGULATION AND GOVERNANCE									
Current payment	9 606	(1)	339	9 944	9 944	–	100.0%	18 554	18 554
Transfers and subsidies	24 761	1	–	24 762	24 762	–	100.0%	–	–
Payment for capital assets	165	–	–	165	114	51	69.1%	467	467
	34 532	–	339	34 871	34 820	51		19 021	19 021

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Appropriation per programme									
2012/13								2011/12	
Appropriation statement	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
5. ECONOMIC PLANNING									
Current payment	15 604	(1)	1 081	16 684	16 684	–	100.0%	14 282	14 144
Transfers and subsidies	7 859	1	–	7 860	7 860	–	100.0%	500	500
Payment for capital assets	216	–	–	216	193	23	89.4%	150	150
	23 679	–	1 081	24 760	24 737	23		14 932	14 794
6. TOURISM, ARTS AND ENTERTAINMENT									
Current payment	18 274	(11)	(1 104)	17 159	17 158	1	100.0%	15 658	15 542
Transfers and subsidies	33 028	11	–	33 039	33 039	–	100.0%	46 900	46 900
Payment for capital assets	200	–	–	200	133	67	66.5%	381	381
Payment for financial assets	15	–	–	15	15	–	100.0%	–	–
	51 517	–	(1 104)	50 413	50 345	68		62 939	62 823
7. SKILLS DEVELOPMENT AND INNOVATION									
Current payment	14 638	(385)	(316)	13 937	13 937	–	100.0%	3 749	3 741
Transfers and subsidies	12 280	385	–	12 665	12 665	–	100.0%	14 300	14 300
Payment for capital assets	87	–	–	87	28	59	32.2%	326	326
	27 005	–	(316)	26 689	26 630	59		18 375	18 367
TOTAL	315 585	–	–	315 585	314 344	1 241	99.6%	257 070	256 089
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				12 229				5 484	
Actual amounts per statement of financial performance (total revenue)				327 814				262 554	
Actual amounts per statement of financial performance (total expenditure)					314 344				256 089

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Appropriation per economic classification									
2012/13								2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	83 866	(808)	(2 762)	80 296	80 253	43	99.9%	75 016	74 970
Goods and services	73 655	(4 656)	(263)	68 736	68 734	2	100.0%	44 735	43 800
Interest and rent on land	1	(1)	–	–	–	–		3	3
Transfers and subsidies									
Provinces and municipalities	–	–	–	–	–	–		1 000	1 000
Departmental agencies and accounts	78 261	2 763	–	81 024	81 024	–	100.0%	52 395	52 395
Universities and technikons	10 980	(10 980)	–	–	–	–		1 400	1 400
Public corporations and private enterprises	4 000	1 329	3 025	8 354	8 354	–	100.0%	27 300	27 300
Non-profit institutions	61 032	12 228	–	73 260	72 280	980	98.7%	51 196	51 196
Households	1 140	24	–	1 164	1 164	–	100.0%	910	910
Payments for capital assets									
Machinery and equipment	2 635	58	–	2 693	2 477	216	92.0%	2 806	2 806
Software and other intangible assets	–	43	–	43	43	–	100.0%	267	267
Payments for financial assets	15	–	–	15	15	–	100.0%	42	42
Total	315 585	–	–	315 585	314 344	1 241	99.6%	257 070	256 089

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 1 – ADMINISTRATION for the year ended 31 March 2013									
Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1.1 OFFICE OF THE HOD									
Current payment	3 221	(314)	–	2 907	2 907	–	100.0%	2 236	2 236
Payment for capital assets	569	10	–	579	579	–	100.0%	23	23
1.2 FINANCIAL MANAGEMENT									
Current payment	20 187	1 128	(2 032)	19 283	19 240	43	99.8%	16 198	16 198
Transfers and subsidies	14	–	–	14	14	–	100.0%	–	–
Payment for capital assets	829	39	–	868	868	–	100.0%	867	867
Payment for financial assets	–	–	–	–	–	–		32	32
1.3 CORPORATE SERVICES									
Current payment	2 416	(814)	–	1 602	1 602	–	100.0%	1 305	1 305
Transfers and subsidies	–	–	–	–	–	–		44	44
Payment for capital assets	50	(49)	–	1	–	1		60	60
Total	27 286	–	(2 032)	25 254	25 210	44	99.8%	20 765	20 765

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 1 – ADMINISTRATION for the year ended 31 March 2013									
2012/13								2011/12	
Program 1 Per Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	16 901	1 008	(2 032)	15 877	15 834	43	99.7%	14 209	14 209
Goods and services	8 923	(1 008)	–	7 915	7 915	–	100.0%	5 529	5 529
Interest and rent on land	–	–	–	–	–	–		1	1
Transfers and subsidies									
Households	14	–	–	14	14	–	100.0%	44	44
Payments for capital assets									
Machinery and equipment	1 448	(17)	–	1 431	1 430	1	99.9%	709	709
Software and other intangible assets	–	17	–	17	17	–	100.0%	241	241
Payments for financial assets	–	–	–	–	–	–		32	32
Total	27 286	–	(2 032)	25 254	25 210	44	99.8%	20 765	20 765

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 2 – INTEGRATED ECONOMIC DEVELOPMENT SERVICES for the year ended 31 March 2013									
Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
2.1 ENTERPRISE DEVELOPMENT									
Current payment	9 758	(293)	–	9 465	9 465	–	100.0%	8 997	8 997
Transfers and subsidies	16 755	–	–	16 755	16 755	–	100.0%	19 050	19 050
Payment for capital assets	78	(15)	–	63	61	2	96.8%	200	200
2.2 REGIONAL AND LOCAL ECONOMIC DEVELOPMENT									
Current payment	6 442	(219)	–	6 223	6 223	–	100.0%	5 311	5 311
Transfers and subsidies	3 000	1 029	3 025	7 054	7 054	–	100.0%	4 000	4 000
Payment for capital assets	78	(27)	–	51	38	13	74.5%	132	132
Payment for financial assets	–	–	–	–	–	–	–	3	3
2.3 ECONOMIC EMPOWERMENT									
Current payment	5 798	(428)	–	5 370	5 370	–	100.0%	5 887	5 887
Transfers and subsidies	5	12	–	17	17	–	100.0%	–	–
Payment for capital assets	108	11	–	119	118	1	99.2%	102	102
2.4 RED TAPE									
Current payment	4 279	78	–	4 357	4 357	–	100.0%	–	–
Payment for capital assets	30	(30)	–	–	–	–	–	–	–
2.5 MANAGEMENT: INTEGRATED ECONOMIC DEVELOPMENT SERVICES									
Current payment	1 940	(179)	–	1 761	1 761	–	100.0%	3 152	3 152
Transfers and subsidies	–	–	–	–	–	–	–	4 850	4 850
Payment for capital assets	26	61	–	87	87	–	100.0%	91	91
Payment for financial assets	–	–	–	–	–	–	–	7	7
Total	48 297	–	3 025	51 322	51 306	16	100.0%	51 782	51 782

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 2 – INTEGRATED ECONOMIC DEVELOPMENT SERVICES for the year ended 31 March 2013									
2012/13								2011/12	
Program 2 Per Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	15 270	(193)	–	15 077	15 077	–	100.0%	12 397	12 397
Goods and services	12 946	(847)	–	12 099	12 099	–	100.0%	10 950	10 950
Interest and rent on land	1	(1)	–	–	–	–		–	–
Transfers and subsidies									
Departmental agencies and accounts	4 500	–	–	4 500	4 500	–	100.0%	1 000	1 000
Public corporations and private enterprises	4 000	1 029	3 025	8 054	8 054	–	100.0%	21 100	21 100
Non-profit institutions	11 255	–	–	11 255	11 255	–	100.0%	5 800	5 800
Households	5	12	–	17	17	–	100.0%	–	–
Payments for capital assets									
Machinery and equipment	320	–	–	320	304	16	95.0%	525	525
Payments for financial assets	–	–	–	–	–	–		10	10
Total	48 297	–	3 025	51 322	51 306	16	100.0%	51 782	51 782

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 3 – TRADE AND SECTOR DEVELOPMENT for the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
3.1 TRADE AND INVESTMENT PROMOTION									
Current payment	–	–	–	–	–	–		14 956	14 956
Transfers and subsidies	18 500	–	–	18 500	18 500	–	100.0%	–	–
3.2 SECTOR DEVELOPMENT									
Current payment	12 563	76	–	12 639	12 639	–	100.0%	9 780	9 741
Transfers and subsidies	32 007	350	–	32 357	32 077	280	99.1%	25 700	25 700
Payment for capital assets	100	(13)	–	87	87	–	100.0%	136	136
3.3 STRATEGIC INITIATIVES									
Current payment	31 543	(3 911)	(993)	26 639	26 639	–	100.0%	12 835	12 164
Transfers and subsidies	7 203	3 575	–	10 778	10 078	700	93.5%	3 901	3 901
Payment for capital assets	50	104	–	154	154	–	100.0%	118	118
3.4 MANAGEMENT: TRADE AND INDUSTRY DEVELOPMENT									
Current payment	1 253	(191)	–	1 062	1 062	–	100.0%	1 810	1 801
Payment for capital assets	50	10	–	60	60	–	100.0%	20	20
Total	103 269	–	(993)	102 276	101 296	980	99.0%	69 256	68 537

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 3 – TRADE AND SECTOR DEVELOPMENT for the year ended 31 March 2013

Program 3 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	17 759	(663)	(993)	16 103	16 103	–	100.0%	12 473	12 466
Goods and services	27 600	(3 363)	–	24 237	24 237	–	100.0%	11 951	11 239
Interest and rent on land	–	–	–	–	–	–		1	1
Transfers and subsidies									
Departmental agencies and accounts	22 000	2 762	–	24 762	24 762	–	100.0%	14 956	14 956
Non-profit institutions	35 707	1 163	–	36 870	35 890	980	97.3%	29 601	29 601
Households	3	–	–	3	3	–	100.0%	–	–
Payments for capital assets									
Machinery and equipment	200	75	–	275	275	–	100.0%	274	274
Software and other intangible assets	–	26	–	26	26	–	100.0%	–	–
Total	103 269	–	(993)	102 276	101 296	980	99.0%	69 256	68 537

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 4 – BUSINESS REGULATION AND GOVERNANCE for the year ended 31 March 2013									
2012/13								2011/12	
Detail per sub-programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
4.1 CONSUMER PROTECTION									
Current payment	9 606	(1)	76	9 681	9 681	–	100.0%	9 461	9 461
Payment for capital assets	165	–	–	165	114	51	69.1%	227	227
4.2 LIQUOR REGULATION									
Current payment	–	–	263	263	263	–	100.0%	9 093	9 093
Transfers and subsidies	24 761	1	–	24 762	24 762	–	100.0%	–	–
Payment for capital assets	–	–	–	–	–	–		240	240
Total	34 532	–	339	34 871	34 820	51	99.9%	19 021	19 021

Detail per Programme 4 – BUSINESS REGULATION AND GOVERNANCE for the year ended 31 March 2013									
2012/13								2011/12	
Program 4 Per Economic Classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	7 072	(29)	263	7 306	7 306	–	100.0%	12 675	12 675
Goods and services	2 534	28	76	2 638	2 638	–	100.0%	5 879	5 879
Transfers and subsidies									
Departmental agencies and accounts	24 761	1	–	24 762	24 762	–	100.0%	–	–
Payments for capital assets									
Machinery and equipment	165	–	–	165	114	51	69.1%	441	441
Software and other intangible assets	–	–	–	–	–	–		26	26
Total	34 532	–	339	34 871	34 820	51	99.9%	19 021	19 021

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 5 – ECONOMIC PLANNING for the year ended 31 March 2013									
Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
5.1 POLICY AND PLANNING									
Current payment	1 253	444	–	1 697	1 697	–	100.0%	1 294	1 294
Transfers and subsidies	7 850	–	–	7 850	7 850	–	100.0%	–	–
Payment for capital assets	8	–	–	8	–	8		–	–
5.2 RESEARCH AND DEVELOPMENT									
Current payment	5 917	(214)	1 081	6 784	6 784	–	100.0%	4 155	4 143
Payment for capital assets	19	2	–	21	21	–	100.0%	12	12
5.3 KNOWLEDGE MANAGEMENT									
Current payment	2 704	158	–	2 862	2 862	–	100.0%	2 565	2 469
Payment for capital assets	118	34	–	152	147	5	96.7%	46	46
5.4 MONITORING AND EVALUATION									
Current payment	2 767	(134)	–	2 633	2 633	–	100.0%	2 094	2 093
Transfers and subsidies	9	1	–	10	10	–	100.0%	–	–
Payment for capital assets	16	(15)	–	1	1	–	100.0%	22	22
5.5 MANAGEMENT									
Current payment	2 963	(255)	–	2 708	2 708	–	100.0%	4 174	4 145
Transfers and subsidies	–	–	–	–	–	–		500	500
Payment for capital assets	55	(21)	–	34	24	10	70.6%	70	70
Total	23 679	–	1 081	24 760	24 737	23	99.9%	14 932	14 794

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 5 – ECONOMIC PLANNING for the year ended 31 March 2013									
2012/13								2011/12	
Program 5 Per Economic Classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	9 792	(437)	–	9 355	9 355	–	100.0%	9 035	9 023
Goods and services	5 812	436	1 081	7 329	7 329	–	100.0%	5 247	5 121
Transfers and subsidies									
Non-profit institutions	7 850	–	–	7 850	7 850	–	100.0%	500	500
Households	9	1	–	10	10	–	100.0%	–	–
Payments for capital assets									
Machinery and equipment	216	–	–	216	193	23	89.4%	150	150
Total	23 679	–	1 081	24 760	24 737	23	99.9%	14 932	14 794

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 6 – TOURISM, ARTS AND ENTERTAINMENT for the year ended 31 March 2013									
Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
6.1 MANAGEMENT: TOURISM									
Current payment	3 648	(142)	-	3 506	3 506	-	100.0%	2 866	2 842
Payment for capital assets	55	-	-	55	27	28	49.1%	98	98
6.2 TOURISM GROWTH									
Current payment	4 978	(477)	-	4 501	4 500	1	100.0%	4 960	4 904
Transfers and subsidies	3	-	-	3	3	-	100.0%	2 500	2 500
Payment for capital assets	34	36	-	70	61	9	87.1%	102	102
6.3 TOURISM PARTICIPATION									
Current payment	7 898	572	(1 104)	7 366	7 366	-	100.0%	6 392	6 356
Transfers and subsidies	1 100	11	-	1 111	1 111	-	100.0%	866	866
Payment for capital assets	70	(24)	-	46	16	30	34.8%	160	160
Payment for financial assets	15	-	-	15	15	-	100.0%	-	-
6.4 DESTINATION MARKETING ORGANISATION									
Transfers and subsidies	25 000	-	-	25 000	25 000	-	100.0%	35 439	35 439
6.5 COMMERCIAL ARTS AND ENTERTAINMENT									
Current payment	1 750	36	-	1 786	1 786	-	100.0%	1 440	1 440
Transfers and subsidies	6 925	-	-	6 925	6 925	-	100.0%	8 095	8 095
Payment for capital assets	41	(12)	-	29	29	-	100.0%	21	21
Total	51 517	-	(1 104)	50 413	50 345	68	99.9%	62 939	62 823

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 6 – TOURISM, ARTS AND ENTERTAINMENT for the year ended 31 March 2013									
2012/13								2011/12	
Program 6 Per Economic Classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	12 877	(541)	–	12 336	12 336	–	100.0%	11 205	11 178
Goods and services	5 396	530	(1 104)	4 822	4 821	1	100.0%	4 452	4 363
Interest and rent on land	–	–	–	–	–	–		1	1
Transfers and subsidies									
Provinces and municipalities	–	–	–	–	–	–		1 000	1 000
Departmental agencies and accounts	27 000	–	–	27 000	27 000	27 000	100.0%	36 439	36 439
Non-profit institutions	4 920	–	–	4 920	4 920	4 920	100.0%	8 595	8 595
Households	1 109	11	–	1 120	1 120	–	100.0%	866	866
Payments for capital assets									
Machinery and equipment	200	–	–	200	133	67	66.5%	381	381
Payments for financial assets									
	15	–	–	15	15	–	100.0%	–	–
Total	51 517	–	(1 104)	50 413	50 345	68	99.9%	62 939	62 823

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 7 – SKILLS DEVELOPMENT AND INNOVATION for the year ended 31 March 2013

Detail per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
7.1 PROVINCIAL SKILLS COORDINATION									
Current payment	2 546	(120)	(316)	2 110	2 110	–	100.0%	1 630	1 622
Transfers and subsidies	1 300	385	–	1 685	1 685	–	100.0%	500	500
Payment for capital assets	4	6	–	10	10	–	100.0%	213	213
7.2 WORKFORCE DEVELOPMENT									
Current payment	9 935	(46)	–	9 889	9 889	–	100.0%	516	516
Transfers and subsidies	10 980	–	–	10 980	10 980	–	100.0%	12 400	12 400
Payment for capital assets	45	(6)	–	39	1	38	2.6%	48	48
7.3 INNOVATION									
Current payment	844	29	–	873	873	–	100.0%	641	641
Transfers and subsidies	–	–	–	–	–	–		1 400	1 400
Payment for capital assets	15	–	–	15	–	15		13	13
7.4 MANAGEMENT: SKILLS DEVELOPMENT									
Current payment	1 313	(248)	–	1 065	1 065	–	100.0%	962	962
Payment for capital assets	23	–	–	23	17	6	73.9%	52	52
Total	27 005	–	(316)	26 689	26 630	59	99.8%	18 375	18 367

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Detail per Programme 7 – SKILLS DEVELOPMENT AND INNOVATION for the year ended 31 March 2013

Program 7 Per Economic Classification	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of Final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	4 195	47	–	4 242	4 242	–	100.0%	3 022	3 022
Goods and services	10 444	(432)	(316)	9 696	9 695	1	100.0%	727	719
Transfers and subsidies									
Universities and technikons	10 980	(10 980)	–	–	–	–		1 400	1 400
Public corporations and private enterprises	–	300	–	300	300	–	100.0%	6 200	6 200
Non-profit institutions	1 300	11 065	–	12 365	12 365	–	100.0%	6 700	6 700
Payments for capital assets									
Machinery and equipment	86	–	–	86	28	58	32.6%	326	326
Total	27 005	–	(316)	26 689	26 630	59	99.8%	18 375	18 367

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT)

Detail of these transactions can be viewed in the Note 7 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 6 on Payments for financial assets to the Annual Financial Statements.

4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT)

4.1 Per programme

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Administration	25 254	25 210	44	0.17%
Integrated Economic Development Services	51 322	51 306	16	0.03%
Trade and Sector Development	102 276	101 296	980	0.96%
Transfers and Subsidies – Accelerate Cape Town: Fishing harbour project not implemented. Western Cape Aquaculture Development Institute is implementing the project in the 2013/14 financial year and a rollover has been requested.				
Business Regulation and Governance	34 871	34 820	51	0.15%
Economic Planning	24 760	24 737	23	0.09%
Tourism, Arts and Entertainment	50 413	50 345	68	0.13%
Skills Development and Innovation	26 689	26 630	59	0.22%

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

4.2 Per economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Current payments				
Compensation of employees	80 296	80 253	43	0.05%
Goods and services	68 736	68 734	2	0.00%
Transfers and subsidies				
Departmental agencies and accounts	81 024	81 024	-	0.00%
Public corporations and private enterprises	8 354	8 354	-	0.00%
Non-profit institutions	73 260	72 280	980	1.34%
Households	1 164	1 164	-	0.00%
Payments for capital assets				
Machinery and equipment	2 693	2 477	216	8.02%
Software and other intangible assets	43	43	-	0.00%
Payments for financial assets	15	15	-	0.00%

Savings in Transfers and Subsidies: Due to Accelerate Cape Town - Fishing Harbours project not being implemented. Western Cape Aquaculture Development Institute is implementing the project in the 2013/14 financial year and a rollover has been requested from Provincial Treasury.

Payments for Capital Assets: Lack of availability of capital assets from suppliers before year-end.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2013

PERFORMANCE	Note	2012/13 R'000	2011/12 R'000
REVENUE			
Annual appropriation	1	315 585	257 070
Departmental revenue	2	12 229	5 484
TOTAL REVENUE		327 814	262 554
EXPENDITURE			
Current expenditure			
Compensation of employees	3	80 253	74 970
Goods and services	4	68 734	43 800
Interest and rent on land	5	-	3
Total current expenditure		148 987	118 773
Transfers and subsidies			
Transfers and subsidies	7	162 822	134 201
Total transfers and subsidies		162 822	134 201
Expenditure for capital assets			
Tangible capital assets	8	2 477	2 806
Software and other intangible assets	8	43	267
Total expenditure for capital assets		2 520	3 073
Payments for financial assets	6	15	42
TOTAL EXPENDITURE		314 344	256 089
SURPLUS FOR THE YEAR		13 470	6 465
Reconciliation of Net Surplus for the year			
Voted funds		1 241	981
Departmental revenue and NRF Receipts	14	12 229	5 484
SURPLUS FOR THE YEAR		13 470	6 465

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

POSITION	Note	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets		1 462	6 558
Cash and cash equivalents	9	926	5 890
Prepayments and advances	10	25	10
Receivables	11	511	658
Non-current assets		142 000	142 000
Investments	12	142 000	142 000
TOTAL ASSETS		143 462	148 558
LIABILITIES			
Current liabilities		1 306	6 516
Voted funds to be surrendered to the Revenue Fund	13	1 241	981
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	60	67
Bank overdraft	15	-	5 443
Payables	16	5	25
TOTAL LIABILITIES		1 306	6 516
NET ASSETS		142 156	142 042
Represented by:			
Capitalisation reserve		142 000	142 000
Recoverable revenue		156	42
TOTAL		142 156	142 042

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2013

NET ASSETS	Note	2012/13 R'000	2011/12 R'000
NET ASSETS			
Capitalisation Reserves			
Opening balance		142 000	142 000
Closing balance		142 000	142 000
Recoverable revenue			
Opening balance		42	64
Transfers:		114	(22)
Debts revised		4	-1
Debts recovered (included in departmental receipts)		-1	-21
Debts raised		111	-
Closing balance		156	42
TOTAL		142 156	142 042

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

CASH FLOW	Note	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		345 154	267 888
Annual appropriated funds received	1.1	315 585	257 070
Departmental revenue received	2	29 569	10 818
Net decrease/(increase) in working capital		112	(405)
Surrendered to Revenue Fund		(30 557)	(12 726)
Current payments		(148 987)	(118 773)
Payments for financial assets		(15)	(42)
Transfers and subsidies paid		(162 822)	(134 201)
Net cash flow available from operating activities	17	2 885	1 741
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(2 520)	(3 073)
Net cash flows from investing activities		(2 520)	(3 073)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		114	(22)
Net cash flows from financing activities		114	(22)
Net increase/(decrease) in cash and cash equivalents		479	(1 354)
Cash and cash equivalents at beginning of period		447	1 801
Cash and cash equivalents at end of period	18	926	447

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The "modification" results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition, supplementary information is provided in the disclosure notes to the financial statements where it is deemed useful to the users of the financial statements.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the Department.

1.3 Rounding

Unless otherwise stated, all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures – Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. REVENUE

2.1 Appropriated funds

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

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

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

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

2.2 Departmental revenue

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

Any amount owing to the Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aids assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year).

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds, as they are not surrendered to the revenue fund.

3. EXPENDITURE

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the Department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer Department.

Employer contributions made by the Department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding, it is recognised as expenditure in the statement of financial performance on the date stipulated in the Act.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable, it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority, it is treated as an asset until it is recovered or written off as irrecoverable.

4. ASSETS

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

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

All assets acquired prior to 1 April 2002 are included in the register at R1.

Subsequent recognition

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

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

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the Department that is accountable for the asset.

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

4.8.3 Intangible assets

Initial recognition

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

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

Subsequent expenditure

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

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

5. LIABILITIES

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the Department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance, but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as a capital expense in the statement of financial performance and are not apportioned between the capital and the interest portions. The total finance lease payment is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Impairment

The Department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows/service potential flowing from the instrument.

5.9 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. RECEIVABLES FOR DEPARTMENTAL REVENUE

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

7. NET ASSETS

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. RELATED PARTY TRANSACTIONS

Specific information with regards to related party transactions is included in the disclosure notes.

9. KEY MANAGEMENT PERSONNEL

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. PUBLIC PRIVATE PARTNERSHIPS

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

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:

	2012/13			2011/12
	Final Appropriation R'000	Actual Funds Received R'000	Funds Not requested/ Not received R'000	Appropriation Received R'000
Administration	25 254	25 254	–	20 765
Integrated Economic Development Services	51 322	51 322	–	51 782
Trade and Sector Development	102 276	102 276	–	69 256
Business Regulation and Governance	34 871	34 871	–	19 021
Economic Planning	24 760	24 760	–	14 932
Tourism, Arts and Entertainment	50 413	50 413	–	62 939
Skills Development and Innovation	26 689	26 689	–	18 375
Total	315 585	315 585	–	257 070

	Note	2012/13 R'000	2011/12 R'000
2. DEPARTMENTAL REVENUE			
Tax revenue		24 822	6 550
Sales of goods and services other than capital assets	2.1	418	400
Interest, dividends and rent on land	2.2	9	1
Transactions in financial assets and liabilities	2.3	4 320	3 867
Total revenue collected		29 569	10 818
Less: Own revenue included in appropriation	14	(17 340)	(5 334)
Departmental revenue collected		12 229	5 484

The increase in the tax revenue is due to the implementation of the Western Cape Liquor Act (4/2008) and establishment of the Western Cape Liquor Authority as a public entity. The Act resulted in increased liquor licence fees and administration costs.

2.1 Sales of goods and services other than capital assets

2

Sales of goods and services produced by the Department

418 400

Sales by market establishment

– 1

Administrative fees

390 356

Other sales

28 43

Total

418 400

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2012/13 R'000	2011/12 R'000
2.2 Interest, dividends and rent on land	2		
Interest		9	1
Total		9	1

2.3 Transactions in financial assets and liabilities	2		
Other Receipts including Recoverable Revenue		4 320	3 867
Total		4 320	3 867

3. COMPENSATION OF EMPLOYEES

3.1 Salaries and Wages

Basic salary		55 241	50 735
Performance award		981	924
Service Based		72	153
Compensative/circumstantial		1 771	1 271
Periodic payments		1 509	2 157
Other non-pensionable allowances		12 390	11 606
Total		71 964	66 846

3.2 Social contributions

Employer contributions

Pension		6 189	6 003
Medical		2 088	2 110
Bargaining council		12	11
Total		8 289	8 124
Total compensation of employees		80 253	74 970
Average number of employees		230	209

The comparative figure for the average number of employees has been restated.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2012/13 R'000	2011/12 R'000
4. GOODS AND SERVICES			
Administrative fees		139	314
Advertising		2 213	1 413
Assets less than R5 000	4.1	478	495
Bursaries (employees)		308	496
Catering		1 259	955
Communication		1 780	1 718
Computer services	4.2	625	908
Consultants, contractors and agency/outsourced services	4.3	49 300	26 133
Entertainment		71	47
Audit cost – external	4.4	2 420	2 364
Inventory	4.5	1 546	1 749
Operating leases		386	364
Rental and hiring		65	4
Travel and subsistence	4.6	4 342	3 854
Venues and facilities		1 019	1 040
Training and staff development		1 657	1 080
Other operating expenditure	4.7	1 126	866
Total		68 734	43 800
4.1 Assets less than R5 000			
	4		
Tangible assets		464	495
Machinery and equipment		464	495
Intangible assets		14	–
Total		478	495
4.2 Computer services			
	4		
SITA computer services		310	269
External computer service providers		315	639
Total		625	908
4.3 Consultants, contractors and agency/outsourced services			
	4		
Business and advisory services		45 952	24 504
Legal costs		91	78
Contractors		538	1 017
Agency and support/outsourced services		2 719	534
Total		49 300	26 133

The increase in business and advisory services is due to the rollout of catalytic infrastructure Initiatives such as the Broadband initiative, which requires specialised skills.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2012/13 R'000	2011/12 R'000
4.4 Audit cost – External	4		
Regularity audits		2 420	2 364
Total		2 420	2 364
4.5 Inventory	4		
Food and food supplies		36	29
Other consumables		52	80
Materials and supplies		21	20
Stationery and printing		1 437	1 620
Total		1 546	1 749
4.6 Travel and subsistence	4		
Local		3 729	3 344
Foreign		613	510
Total		4 342	3 854
4.7 Other operating expenditure	4		
Resettlement costs		91	–
Other		1 035	866
Total		1 126	866
5. INTEREST AND RENT ON LAND			
Interest paid		–	3
Total		–	3
6. PAYMENTS FOR FINANCIAL ASSETS			
Debts written off	6.1	15	42
Total		15	42
6.1 Debts written off	6		
Other debt written off			
Damages to GG and hired vehicles		–	15
Telephone debt		–	3
Equipment		–	17
Salary overpayment		–	7
Debt account		15	–
Total		15	42
Total debt written off		15	42

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2012/13 R'000	2011/12 R'000
7. TRANSFERS AND SUBSIDIES			
Provinces and municipalities	Annex 1A	–	1 000
Departmental agencies and accounts	Annex 1B	81 024	52 395
Universities and technikons	Annex 1C	–	1 400
Public corporations and private enterprises	Annex 1D	8 354	27 300
Non-profit institutions	Annex 1E	72 280	51 196
Households	Annex 1F	1 164	910
Total		162 822	134 201

8. EXPENDITURE FOR CAPITAL ASSETS

Tangible assets		2 477	2 806
Machinery and equipment	29	2 477	2 806
Software and other intangible assets		43	267
Computer software	30	43	267
Total		2 520	3 073

	Voted funds R'000	Aid assistance R'000	Total R'000	
8.1 Analysis of funds utilised to acquire capital assets – 2012/13				
Tangible assets		2 477	–	2 477
Machinery and equipment	2 477	–	2 477	
Software and other intangible assets		43	–	43
Computer software	43	–	43	
Total	2 520	–	2 520	

8.2 Analysis of funds utilised to acquire capital assets – 2011/12

Tangible assets		2 806	–	2 806
Machinery and equipment	2 806	–	2 806	
Software and other intangible assets		267	–	267
Computer software	267	–	267	
Total	3 073	–	3 073	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2012/13 R'000	2011/12 R'000
9. CASH AND CASH EQUIVALENTS			
Consolidated Paymaster General Account		896	–
Cash on hand		30	10
Investments (Domestic)		–	5 880
Total		926	5 890

10. PREPAYMENTS AND ADVANCES

Travel and subsistence		25	10
Total		25	10

	Note	2012/13			2011/12	
		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
11. RECEIVABLES						
Claims recoverable	11.1, Annex 3	176	–	–	176	499
Recoverable expenditure	11.2	91	20	5	116	30
Staff debt	11.3	149	60	10	219	129
Total		416	80	15	511	658

	Note	2012/13 R'000	2011/12 R'000
11.1 Claims recoverable			
Provincial departments	11	41	499
Public entities		135	–
Total		176	499

11.2 Recoverable expenditure (disallowance accounts)			
Disallowance damages and losses	11	108	25
Sal: tax debt		8	5
Total		116	30

11.3 Staff debt			
Debt account	11	219	129
Total		219	129

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2012/13 R'000	2011/12 R'000
12. INVESTMENTS			
Non-Current			
Shares and other equity			
Cape Town International Convention Centre		142 000	142 000
Total		142 000	142 000
Analysis of non-current investments			
Opening balance		142 000	142 000
Closing balance		142 000	142 000
Investment in the Cape Town International Convention Centre has been impaired as per Note 28.			
13. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND			
Opening balance		981	1 793
Transfer from Statement of Financial Performance		1 241	981
Paid during the year		(981)	(1 793)
Closing balance		1 241	981
14. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND			
Opening balance		67	182
Transfer from Statement of Financial Performance		12 229	5 484
Own revenue included in appropriation		17 340	5 334
Paid during the year		(29 576)	(10 933)
Closing balance		60	67
15. BANK OVERDRAFT			
Consolidated Paymaster General Account		–	5 443
Total		–	5 443

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2012/13 R'000	2011/12 R'000
16. PAYABLES – CURRENT			
Clearing accounts	16.1	–	25
Other payables	16.2	5	–
Total		5	25

16.1 Clearing accounts	16		
Sal Income Tax		–	25
Total		–	25

16.2 Other payables	16		
Liquor licence deposits		5	–
Total		5	–

17. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

Net surplus as per Statement of Financial Performance		13 470	6 465
Add back non-cash/cash movements not deemed operating activities		(10 585)	(4 724)
Decrease/(increase) in receivables – current		147	(460)
(Increase)/decrease in prepayments and advances		(15)	30
(Decrease)/increase in payables – current		(20)	25
Expenditure on capital assets		2 520	3 073
Surrenders to Revenue Fund		(30 557)	(12 726)
Own revenue included in appropriation		17 340	5 334
Net cash flow generated by operating activities		2 885	1 741

18. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

Consolidated Paymaster General account		896	(5 443)
Cash on hand		30	10
Cash with commercial banks (Local)		–	5 880
Total		926	447

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

	Note	2012/13 R'000	2011/12 R'000
19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS			
19.1 Contingent liabilities			
Liable to Nature			
Claims against the Department	Annex 2	240	23
Other departments (interdepartmental unconfirmed balances)	Annex 4	–	21
Total		240	44

20. COMMITMENTS

Current expenditure	31 496	3 454
Approved and contracted	31 496	3 454
Capital expenditure	–	98
Approved and contracted	–	98
Total Commitments	31 496	3 552

Commitments longer than 1 year amount to R356 341 and relate to contracts that will be concluded during the financial year 2013/14.

	2012/13 R'000			2011/12 R'000
	30 Days	30+ Days	Total	Total
21. ACCRUALS				
Listed by economic classification				
Goods and services	650	777	1 427	882
Capital assets		14	14	55
Total	650	791	1 441	937

	Note	2012/13 R'000	2011/12 R'000
Listed by programme level			
Programme 1		403	448
Programme 2		97	147
Programme 3		645	46
Programme 4		24	197
Programme 5		74	15
Programme 6		160	75
Programme 7		38	9
Total		1 441	937
Confirmed balances with other departments	Annex 4	367	191
Total		367	191

	Note	2012/13 R'000	2011/12 R'000
22. EMPLOYEE BENEFITS			
Leave entitlement *		2 246	2 567
Service bonus (Thirteenth cheque)		1 863	1 927
Performance awards **		1 115	1 173
Capped leave commitments		579	634
Other		351	432
Total		6 154	6 733

*Included in the 2012/13 disclosure for leave entitlement is a negative amount of R158 483 for leave owed to the Department for those employees who went over their leave credits.

**Performance awards are calculated at 1,5% on the 2013/14 budget for Compensation of Employees for the Department.

The comparative figure for Employee benefits Other has been restated.

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
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23. LEASE COMMITMENTS

23.1 Operating leases expenditure

2012/13

Not later than 1 year	-	-	-	801	801
Later than 1 year and not later than 5 years	-	-	-	957	957
Total lease commitments	-	-	-	1 758	1 758

2011/12

Not later than 1 year	-	-	-	345	345
Later than 1 year and not later than 5 years	-	-	-	398	398
Total lease commitments	-	-	-	743	743

23.2 Finance leases expenditure

2012/13

Not later than 1 year	-	-	-	144	144
Later than 1 year and not later than 5 years	-	-	-	10	10
Total lease commitments	-	-	-	154	154

2011/12

Not later than 1 year	-	-	-	133	133
Later than 1 year and not later than 5 years	-	-	-	72	72
Total lease commitments	-	-	-	205	205
LESS: finance costs	-	-	-	11	11
Total present value of lease liabilities	-	-	-	194	194

23.3 Finance leases 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 R'000	2 – 5 years R'000	More than 5 years R'000
2012			
Total lease payments	858	2 567	184
2013			
Total lease payments	1 397	4 741	1 484

Department of Economic Development and Tourism leased 28 vehicles from GMT (2012:22). Daily tariffs are payable on a monthly basis, covering the operational costs, capital costs of replacement of vehicles, and the implicit finance costs in this type of arrangement.

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

	Note	2012/13 R'000	2011/12 R'000
24. RECEIVABLES FOR DEPARTMENTAL REVENUE			
Tax revenue		1 857	138
Total		1 857	138

24.1 Analysis of receivables for departmental revenue

Opening balance	138	482
Less: amounts received	(138)	(5 809)
Add: amounts recognised	1 857	6 340
Less: amounts written-off/reversed as irrecoverable	–	(875)
Closing balance	1 857	138

25. IRREGULAR EXPENDITURE

25.1 Reconciliation of irregular expenditure

Opening balance	5 491	-
Add: Irregular expenditure – relating to prior year	-	2 204
Add: Irregular expenditure – relating to current year	522	3 287
Irregular expenditure awaiting condonation	6 013	5 491

Analysis of awaiting condonation per age classification

Current year	522	5 491
Prior years	5 491	-
Total	6 013	5 491

Non-compliance to paragraph 3.3.3 of National Treasury Practice Note No 8 of 2007/08 issued in terms of Treasury Regulation 16A6.1.

Currently awaiting outcome of the investigation before condonation will be approved.

2012/13
R'000

25.2 DETAILS OF IRREGULAR EXPENDITURE – CURRENT YEAR

Incident	Disciplinary steps taken/criminal proceedings
Non-compliance to paragraph 3.3.3 of National Treasury Practice Note No 8 of 2007/08 issued in terms of Treasury Regulation 16A6.1.	522
Total	522

Note 2012/13
R'000 2011/12
R'000

26. RELATED PARTY TRANSACTIONS

Payments made

Goods and services	21	65
Total	21	65

The Department acquired the services from the Cape Town International Convention Centre of which the expenditure is reflected in Goods and Services.

During the financial year the Department received services from the following related parties as indicated below:

- The Department occupied a building provided by the Department of Transport and Public Works free of charge.
- The Department of Economic Development and Tourism received corporate services from the Corporate Service Centre of the Department of the Premier in the Western Cape Province in respect of the following services free of charge:
 - Information and Communication Technology
 - Organisational Development
 - Provincial Training (transversal)
 - Human Resource Management
 - Enterprise Risk Management
 - Internal Audit
 - Forensic Investigations
 - Legal Services
 - Corporate Communication.
- The Department has three public entities under its control:
 - Wesgro
 - DMO
 - 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.

	No. of Individuals	2012/13 R'000	2011/12 R'000
27. KEY MANAGEMENT PERSONNEL			
Political office bearers (provide detail below)			
Officials:			
Level 15 to 16	2	2 464	2 320
Level 14 (incl. CFO if at a lower level)	5	4 856	4 552
Total		7 320	6 872

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

	Note	2012/13 R'000	2011/12 R'000
28. IMPAIRMENT			
Impairment			
Investments		72 233	72 233
Total		72 233	72 233

The calculation of the impairment is based on the percentage shareholding in the Cape Town International Convention Centre (Convenco). The share of the impairment forms part of the provisions disclosure note in accordance with the accounting policy for investments (see Note 12 to the Annual Financial Statements).

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

The comparative figure for 2011/12 has been restated due to a recalculation.

	Opening balance R'000	Current Year Adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
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29. MOVABLE TANGIBLE CAPITAL ASSETS

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

MACHINERY AND EQUIPMENT	13 665	–	3 400	(1 236)	15 829
Transport assets	2 947	–	1 971	(600)	4 318
Computer equipment	4 592	–	737	(625)	4 704
Furniture and office equipment	4 009	–	383	(11)	4 381
Other machinery and equipment	2 117	–	309	–	2 426
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	13 665	–	3 400	(1 236)	15 829

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
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29.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

MACHINERY AND EQUIPMENT	3 558	1 013	(1 171)	–	3 400
Transport assets	2 040	1 013	(1 082)	–	1 971
Computer equipment	737	–	–	–	737
Furniture and office equipment	383	–	–	–	383
Other machinery and equipment	398	–	(89)	–	309
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	3 558	1 013	(1 171)	–	3 400

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
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29.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

MACHINERY AND EQUIPMENT	–	1 236	1 236	–
Transport assets	–	600	600	–
Computer equipment	–	625	625	–
Furniture and office equipment	–	11	11	–
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	–	1 236	1 236	–

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
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29.3 Movement for 2011/12

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

MACHINERY AND EQUIPMENT	14 142	1 917	(2 394)	13 665
Transport assets	3 039	110	(202)	2 947
Computer equipment	5 082	1 472	(1 962)	4 592
Furniture and office equipment	3 852	310	(153)	4 009
Other machinery and equipment	2 169	25	(77)	2 117
TOTAL MOVABLE TANGIBLE ASSETS	14 142	1 917	(2 394)	13 665

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
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29.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

Opening balance	–	6	–	3 408	–	3 414
Additions	–	9	–	469	–	478
Disposals	–	–	–	(116)	–	(116)
TOTAL MINOR ASSETS	–	15	–	3 761	–	3 776
Number of R1 minor assets	–	–	–	608	–	608
Number of minor assets at cost	–	4	–	2 131	–	2 135
TOTAL NUMBER OF MINOR ASSETS	–	4	–	2 739	–	2 743

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013						
Opening balance	–	372	–	4 327	–	4 699
Additions	–	–	–	494	–	494
Disposals	–	(366)	–	(1 413)	–	(1 779)
TOTAL MINOR ASSETS	–	6	–	3 408	–	3 414
Number of R1 minor assets	–	–	–	573	–	573
Number of minor assets at cost	–	2	–	1 908	–	1 910
TOTAL NUMBER OF MINOR ASSETS	–	2	–	2 481	–	2 483

	Opening balance R'000	Current Year Adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
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30. INTANGIBLE CAPITAL ASSETS

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

Computer software	956	–	43	–	999
TOTAL INTANGIBLE CAPITAL ASSETS	956	–	43	–	999

	Cash R'000	Non-Cash R'000	(Develop- ment work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
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30.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

Computer software	43	–	–	–	43
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	43	–	–	–	43

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
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30.2 Movement for 2011/12

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

Computer software	721	267	(32)	956
TOTAL INTANGIBLE CAPITAL ASSETS	721	267	(32)	956

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

ANNEXURE 1A

Statement of unconditional grants and transfers to municipalities

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2011/12
	Amount R'000	Roll Overs R'000	Adjust- ments R'000	Total Avail- able R'000	Actual Transfer R'000	% of Avail- able Funds Trans- ferred %	Amount received by muni- cipality R'000	Amount spent by muni- cipality R'000	% of avail- able Funds spent by muni- cipality %	Total Avail- able R'000
City of Cape Town	-	-	-	-	-	-	-	-	-	1 000
Total	-	-	-	-	-	-	-	-	-	1 000

ANNEXURE 1B

Statement of transfers to departmental agencies and accounts

DEPARTMENT/AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appro- piation R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Appro- piation Act R'000
Cape Nature	-	-	-	-	-		1 000
Destination Marketing Organisation	25 000	-	-	25 000	25 000	100%	35 439
Small Enterprise Development Agency	4 500	-	-	4 500	4 500	100%	1 000
Wesgro	22 000	-	4 762	26 762	26 762	100%	14 956
Western Cape Liquor Authority	7 700	-	17 062	24 762	24 762	100%	-
Total	59 200	-	21 824	81 024	81 024		52 395

ANNEXURE 1C

Statement of transfers to Universities and Technikons

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Appropriation Act R'000
Cape Peninsula University of Technology	-	-	-	-	-	-	1 400
Total	-	-	-	-	-	-	1 400

ANNEXURE 1D

Statement of transfers to public corporations and private enterprises

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE			2011/12
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Capital R'000	Current R'000	Appropriation Act R'000
Public Corporations									
Casidra (SOC) Ltd	-	-	4 054	4 054	4 054	100%	-	-	27 300
Development Bank of SA	3 000	-	1 000	4 000	4 000	100%	-	-	-
Industrial Corp of South Africa	-	-	300	300	300	100%	-	-	-
Total	3 000	-	5 354	8 354	8 354		-	-	27 300

ANNEXURE 1E

Statement of transfers to non-profit institutions

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Appropriation Act R'000
Transfers							
Accelerate Cape Town	–	–	700	700	–		–
Calling the Cape/BPSA	7 669	–	–	7 669	7 669	100%	6 800
Cape Chamber of Commerce	–	–	–	–	–		350
Cape Clothing and Textile	2 500	–	–	2 500	2 500	100%	1 250
Cape Craft and Design Institute	6 420	–	600	7 020	7 020	100%	5 510
Cape Film Commission	–	–	–	–	–		4 200
Cape Information and Technology Initiative (CITI)	5 550	–	350	5 900	5 900	100%	5 091
Cape Music Industry Commission	–	–	–	–	–		555
Cape Town Boatbuilding and Technology Initiative	–	–	–	–	–		950
Cape Town Fashion Council	2 000	–	913	2 913	2 913	100%	1 600
Cape Town Partnership	–	–	1 000	1 000	1 000	100%	2 100
College of Cape Town	–	–	85	85	85	100%	–
Clotex	2 000	–	–	2 000	2 000	100%	2 100
Green Cape	2 860	–	193	3 053	3 053	100%	–
Khwa Ttu San Culture and Education Centre	–	–	–	–	–		500
Learning Cape Initiative	1 300	–	–	1 300	1 300	100%	5 500
National Empowerment Fund	6 000	–	3 755	9 755	9 755	100%	–
Northlink College	10 980	–	–	10 980	10 980	100%	–
Performing Arts Network of SA (PANSA)	–	–	–	–	–		220

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Appropriation Act R'000
NON-PROFIT INSTITUTIONS							
South African Oil and Gas Alliance	5 400	–	–	5 400	5 400	100%	4 950
South African Honeybush Tea Association	200	–	–	200	200	100%	400
The Business Place	750	–	–	750	750	100%	500
Visual Arts Network of SA (VANSA)	–	–	–	–	–		220
West Coast Business Development Centre	750	–	–	750	750	100%	500
Western Cape Aquaculture Development	800	–	780	1 580	1 300	82%	800
Western Cape Economic Development Partner	4 250	–	3 600	7 850	7 850	100%	1 600
Western Cape Fine Food Initiative	600	–	–	600	600	100%	700
Western Cape Furniture Initiative	400	–	–	400	400	100%	950
Western Cape Tooling Initiative	400	–	455	855	855	100%	3 850
Total	60 829	–	11 731	72 560	72 280		51 196

ANNEXURE 1F
Statement of transfers to households

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Appropriation Act R'000
Transfers							
Bursaries for academic studies in Tourism Industry	–	–	–	–	–		650
Bursaries for Tourism FET Skills	–	–	–	–	–		187
Bursaries (non-employees)	1 100	–	–	1 100	1 100	100%	–
Donations and gifts (Ostrich egg to board member of Global Bank and small gifts and cards to key stakeholders of Cape Catalyst Programme)	–	–	–	–	3		–
Injury on duty	–	–	–	–	11		–
Labuschagne (Claim against the State)	–	–	–	–	–		44
Leave gratuity	–	–	–	–	50		–
Stipends for Job shadow placement in Tourism Industry	–	–	–	–	–		29
Total	1 100	–	–	1 100	1 164		910

ANNEXURE 2
Statement of contingent liabilities as at 31 March 2013

NATURE OF LIABILITY	Opening Balance 1 April 2012 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2013 R'000
Claims against the Department					
FM van Zyl	23	–	(23)	–	–
Crown Art (Pty) Ltd t/a Tretchikoff Foundation	–	240	–	–	240
In the case of Cape Film Commission (1103/12/P19), a motion has been filed. The Department will oppose the application. The court case is ongoing.					
Total	23	240	(23)	–	240

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

ANNEXURE 3

Claims recoverable

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000
Department						
WC: Department of the Premier	–	499	–	–	–	499
WC: Government Motor Transport	41	–	–	–	41	–
Western Cape Liquor Authority	135	–	–	–	135	–
Total	176	499	–	–	176	499

ANNEXURE 4

Inter-Government payables

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000	31/03/2013 R'000	31/03/2012 R'000
Departments						
WC: Department of the Premier	121	1	–	6	121	7
WC: Provincial Treasury	–	56	–	–	–	56
WC: Department of Transport and Public Works	246	134	–	15	246	149
Total	367	191	–	21	367	212

ANNEXURE 5

Inventory

INVENTORY	Note	Quantity	2012/13 R'000	Quantity	2011/12 R'000
Opening balance					
Add: Additions/Purchases - Cash		–	1 545	–	1 750
Add/(Less): Adjustments		–	(1 545)	–	(1 750)
Closing balance		–	–	–	–

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