

PROVINCIAL GOVERNMENT
WESTERN CAPE



DEPARTMENT
OF
ECONOMIC DEVELOPMENT AND TOURISM



STRATEGIC PLAN
2004/05 TO 2006/07

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FOREWORD

1. STATEMENTS OF POLICY AND COMMITMENT BY THE MINISTERS

- 1.1 After a period of restructuring and repositioning government and its public entities better to serve the needs of a growing but inequitable Western Cape economy, we have introduced the concept of *IKapa elihlumayo; Growing the Cape, die Kaap wat groei*. Not only is this a provincial budgetary process to shift resources to leverage economic growth, it is also a broad vision to bring hope to those patiently waiting in the welfare queues. We recognize that our region will only grow when the economic sectors represented here are thriving. We therefore need to ensure that inefficiencies in logistics, mismatch of skills, inadequate or outdated infrastructure are addressed, so that the economy may grow and absorb more work seekers.

We also realise that it is not just good to have our diversity of people represented in the mainstream of the economy, but that we can neither expect social stability nor growing domestic markets unless broad based economic empowerment has been achieved in the Western Cape.

Redressing apartheid settlement patterns is a major challenge. Since the Second World War, our cities and towns have been deliberately fragmented and divided through zoning for functional separation and group areas for racial separation. Atlantis is a classic example, where people were moved out of functionally and racially mixed areas like Salt River and Wynberg to an industrial area with a township alongside. Huge bus subsidies have been wasted over the years, whereas previously people walked to work, to shop, to visit friends. The challenge is not simply to reinforce these nodes of separation, but to find ways of integrating the people back functionally into a City or town which works for all and offers opportunity for earning a living – and dare we say – having fun!

IKapa elihlumayo offers us with a framework to grow the economy through increasing our contribution in key sectors, particularly for infrastructure and skills, which the market alone fails to provide. Key missing infrastructure, such as oil and gas port facilities and a film studio, is considered essential to overcome seasonality and provide year-round employment.

The Minister of Finance and Economic Development has the responsibility for Economic Development. This covers the components of Sector Development and Competitiveness, Enterprise, Employment and Equity Development, and Business Regulation. It also includes the responsibility for trade and investment promotion, and the Liquor Board. The Minister of Tourism and Gambling is the Executive Authority responsible, *inter alia*, for all provincial Tourism and Gambling functions. The Tourism function covers mainly Tourism Development and Regulation plus marketing tourism opportunities through support of the new Destination Marketing Organisation. The Branches Enterprise Development and Tourism of the Department of Economic Development and Tourism perform these functions.

FOREWORD

The Branch, Knowledge Economy and E-government, established in 2001 in order to facilitate e-government processes in the province, will be transferred to Vote 1.

As the Executive Authorities for this Department, we are committed to the principles of empowerment, poverty reduction and integrated planning to shape our services and meet customer demands. Our planning directs all strategies, plans, practices, procedures and resources in achieving the Department's core service delivery objectives.

We will ensure that regular monitoring and evaluation of progress is done and will report on the results obtained. We have the commitment of the Head of Department and personnel at every level to ensure that the needs of our clients are understood and addressed. The call to the Department is therefore to strive for and value excellence in service delivery. This value is evident in the policies, planning, practices and organisational behaviour. We believe that making this Departmental strategic plan available, as a public document is a first crucial step in this process of growing the Cape, for the benefit of all.

E Rasool

MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT

DATE:

FOREWORD

- 1.2** The tourism challenge is to align our limited resources with the Western Cape's vision for delivery: iKapa Elihlumayo. This means that the tourism industry should be growing in such a way that it could contribute to the economic well being of each and every citizen of our Province.

In provincial government, we have structured tourism into three functional areas namely tourism development, regulation and marketing. The Department of Economic Development and Tourism is responsible for development and regulation, as well as major capital projects, e.g. the Cape Town International Convention Centre. The tourism marketing function is currently outsourced to the Western Cape Tourism Board. We are in the process of merging the tourism marketing function of the City of Cape Town and the provincial government to market Cape Town and all the regions of the Western Cape as a single destination.

We certainly face many challenges. We have to encourage our people to be tourists in our own country. We need to ensure that the majority of our people benefit from this industry. We need reliable and affordable public transport to deliver tourists to available attractions, effective road signage to direct tourists to their destination, partnerships with Community Safety and the SAPS to ensure their safety. These challenges require an integrated approach because we will not be able deal with it on our own. Partnerships throughout the broader spectrum in driving the tourism vehicle will ultimately contribute to the elimination of poverty in the Western Cape. This strategic plan is a stepping-stone in integrating our work to ensure that tourism delivers on our vision to take the benefits of tourism to every corner of the Western Cape.

J Witbooi

MINISTER OF TOURISM AND GAMBLING

DATE:

2. OVERVIEW BY ACCOUNTING OFFICER

The work of the department should flow naturally out of an all-embracing Micro-economic Strategy, which, in turn, should flow naturally from a comprehensive and fully integrated socio-economic development plan for the Province. A significant amount of the department's energy during the 2004/2005 fiscal year will be devoted to conceptualising, articulating and seeking widespread agreement on such a strategy which will be fully informed by global, continental, regional, national and provincial trends, projections and realities; will be fully integrated with other key provincial strategic plans; will be in harmony with the plans and mandates of other spheres of government and will resonate well with our social partners. The department will also begin the demanding work of translating the interventions in the economy posited in such a strategy into detailed delivery plans and giving life to these.

In the absence of such a detailed and comprehensively articulated and agreed strategy, the work of the department is defined by the concept of *iKapa Elihlumayo* and the Framework Agreement emerging from the Provincial Growth and Development Summit held in November 2003. That mandate is clear: stimulating significant economic growth; reducing unemployment; creating sustainable decent jobs; increasing participation in the "first economy" by those consigned by historical circumstance to the province's "second economy"; developing entrepreneurs; developing and enhancing micro, small and medium-sized enterprises and co-operatives; promoting broad-based economic empowerment for black people, women, those living with disabilities, workers, those living in rural areas; ensuring that the benefits of a growing economy are spread spatially across the province; promoting inward investment; promoting exports; defending, building, transforming [changing patterns of ownership, management and control and employment] and growing selected sectors of the economy, with a significant emphasis on the tourism sector; increasing the global competitiveness of enterprises; positioning the Province to retain and enhance its positive integration into the global economy; ensuring that the foundation is laid for the achievement of a greater match between the supply of and demand for skills; marketing business opportunities and tourism.

In the past our efforts were spread more than a mile wide, but because of limited resources, were not often more than an inch deep, which severely hampered our impact. This has changed significantly with the launching of *iKapa Elihlumayo* Economic Stimulation Fund in November 2003 with an immediate amount of some R45-million followed in the 2004/2005 fiscal year by a significantly increased sum. Its primary intention is to kick-start growth spurts in promising sectors, attempt to turn-around and re-orient struggling industries, give a boost to broad-based economic empowerment and participation in the economy and human resource development while promoting growth, employment, inward investment and competitiveness. It has less easily measured goals as well like the reduction of inequality, the restoration of dignity and the creation of a sense of sharing in the material fruits of democracy. This fund will significantly boost the impact of our efforts.

We also play an important role in creating a well regulated and conducive business environment in three key areas. Liquor: bringing about a socially responsible liquor licensing system. Consumers: consumer education and protection. Tourism: the registration of tour guides, the standardization of signage, the promotion of high standards of service and tourism safety.

Over the fiscal year, we commit ourselves actively to significantly increase delivery, the establishment of a credible and comprehensive Micro-economic Strategy for the Province and working towards achieving the undertakings of the social partners who participated in the Growth and Development Summit.

B. Roberts

HEAD: DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM (ACCOUNTING OFFICER)

DATE:

3. VISION

We strive for a dynamic, socially and environmentally responsible world-class economy that will systematically reduce unemployment and income disparities through broader participation of our people in the economy.

4. MISSION STATEMENT

The Department is committed to drive key economic sectors that will grow the economy in a manner that will create decent work for entrants into the labour market and ensure that we reduce the number of people dependent on social welfare. We aim to grow and transform our economy through micro economic interventions and to ensure we meet social, economic and environmental equity outcomes.

5. DEPARTMENTAL ETHOS/ VALUES

Our working environment is guided by the following principles:

- Action-orientated
- Demand-driven
- Innovative
- Focused on public service excellence
- Honesty
- Striving for international best practices
- Effective delegation
- Clear leadership
- Strategic partnerships
- Utilising the best technology
- Staff development

6. SECTORAL SITUATION ANALYSIS

6.1 Summary of service delivery environment and challenges

- In order to advance the vision for the transformation of the Western Cape economy, this Department will have to focus on micro-economic reform strategies, as the majority of the remedies to the factors limiting growth and development lie within the micro-economy. This approach should take into account that there are two interrelated economies in South Africa. The developed economy suffers from a lack of competitiveness in relation to the global economy. The underdeveloped part of the economy, experienced by the larger proportion of the residents of the Western Cape, does not enable or harness economic potential due to backlogs, mismatches and under-investment in social and productive capital. The relatively slow growth of the Western Cape economy reflects the relatively slow growth of mature sectors of the economy, resulting in low savings and investment rates, falling rates of formal employment in some mature sectors, and insufficient capital inflows owing to a relatively unattractive investment climate.
- Furthermore, our economic weakness augmented by the inflow of job seekers, resulted in declining living standards. Despite higher average indicators of wealth than other provinces, high levels of racial, gender and geographical inequalities, and high levels of absolute poverty are characteristic of the Western Cape economy, owing to the large differences between rich and poor.
- We therefore need to make critical policy interventions to increase the rate of growth, employment creation and development in terms of narrowing the inequalities of wealth and geographic spread of economic activities.
- As a lead department for the implementation of iKapa Elihlumayo, our team will apply a “matrix” approach in tracking key economic variables, targeting key priority sectors, determining actions and assigning responsibilities and carefully monitoring the outcomes. The main purpose will be to expand these growth sectors in order to narrow the income gap and broaden the economic base of the Western Cape.
- To begin meeting the challenge of micro, small and medium-sized enterprise development in a manner which maximises employment, we will consolidate the enterprise support environment, create user-friendly enterprise development entry points across the Province, create “ready-to-occupy” enterprises and engage in intensive mentoring and incubation programmes.

6.2 Critical External Challenges

Critical challenges that the department faces arising from the external environment, in no order of priority, as well as the broad strategies/responses the department is following in response:

- External communication:
- Prioritise communication with stakeholders
- E-enabled communication
- Improve staff communication skills
- Action plan for departmental communication
- Responsiveness to changing environment:
- Promote research capacity
- Apply Best Practices and innovative solutions
- Focus management on optimally using I-net
- Monitor departmental impact
- Ensure alignment of public entities
- Inter- and intra departmental synergy:
- Use existing organisational instruments effectively
- Engage to interpret and understand policies
- Promote department as a learning organisation
- Team building across departments
- Funding:
- Lobby for more funds
- PPP's/co-funding
- Leverage funds strategically
- Seek alternative funding sources (levies/taxes/loans/tariffs)
- Review standards and norms and increasing efficiency
- Co-operative governance:
- Discuss principle and practice
- Asymmetric approach in relation to capacity
- Promote effective functioning of inter-governmental forums
- Team building across spheres of government
- International competitiveness:
- Learn from real time global and local economic information and trends
- Promote technology and research
- Customer orientation
- Speed-up service delivery
- Promote branding
- Employ and keep talented officials

- Match education and training to economic needs
- Establish international contacts regarding technology and trade
- Client orientation:
- Gather, save and analyse knowledge about clients' needs
- Ongoing measurement of service quality and client satisfaction
- Establish clear lines of communication with clients
- Efficient and effective service delivery
- Narrowing the wealth gap:
- Deepen understanding of implications of applicable policy documents with all stakeholders
- Establish strategic partnerships to facilitate job creation
- Focus on sustainable projects within defined programmes
- Access poverty funding for job and wealth creation
- Address seasonality of some sectors of the economy
- Focus on gender and geographic disparities

6.3 Summary of organisational environment and challenges

- The department requires significant restructuring to meet the challenges of implementing the Micro-economic Strategy, rationalise present services and provide new services.
The establishment of autonomous liquor licensing public entity is a likely consequence of the introduction of a new liquor act.
- The filling of posts has been slow without a dedicated internal HR function. As a result, we will operate with a significant cohort of new staff who is acclimatizing to their new environments during the fiscal year.
- The operationalisation of the Western Cape Consumer Affairs (Unfair Business Practices) Act, and in particular the Consumer Tribunal established in terms thereof, will play an important role in bringing about a fair and predictable business environment that prides itself on customer orientation and satisfaction, and act as a deterrent to unfair business practices.
- Financial control and management is still significantly under-resourced.
- Information systems, asset controls and compliance with the PFMA are a priority.

6.4 Critical Internal Challenges

Most of the critical challenges the department faces arising from the internal environment remains unchanged and can be summarised as follows:

- Poor integration with other cluster departments
- Unbalanced organizational structure
- Poor alignment of staff with vision
- Poor alignment of functional units
- Recruitment and retention of staff:
- Shorten recruitment process
- Deploy staff effectively
- Maintain an attractive/professional environment
- Invest in staff
- Comply with Employment Equity Plan
- Internal communication:
- Communicate regularly
- Encourage debate
- E-enabled communication
- Increase communication skills
- Optimal staff quality and quantity

7. LEGISLATIVE AND OTHER MANDATES

These core objectives are based on the following constitutional and other legislative mandates, functional mandates and the service delivery improvement programme:

7.1 Administration

- National Constitution, 1996 (Act 108 of 1996)
- Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999)

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

- Annual Division of Revenue Act
To provide for the equitable division of revenue, including conditional grants, between the 3 spheres of government
- Public Service Act, 1994 (Act 103 of 1994) and Regulations, 2001
To provide for the organisational and administration of the department and for Human Resource Management which includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of staff members of the department.
- Labour Relations Act, 1995 (Act 66 of 1995)
To regulate and guide the department in recognising and fulfilling its role in effecting a harmonious and democratised workplace
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
To provide regulatory prescripts in addition to the Public service act, 1994 and the Public Service Regulations, 2001, regarding the conditions of employment of staff in the department
- Skills Development Act, 1998 (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 qualification 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 scheme and a national skills fund; and to provide for and regulate employment services.
- Skills Development Levies Act (Act 9 of 1999)
To provide for the imposition of a skills development levy
- Promotion of Access to Information Act, 2000 (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.
- Occupational Health and Safety Act, 1993 (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 activities of persons at work; and to establish an advisory council for occupational health and safety.

- Western Cape Constitution, 1996 (1 of 1998)
- Employment Equity Act, (Act 55 of 1998)
To regulate the process and procedures of the department in achieving a diverse and competent workforce broadly representative of the demographics of the Western Cape and eliminating unfair discrimination in employment towards implementing employment equity

7.2 Enterprise development and Tourism

- Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)
- Liquor Act, 1989 (Act 27 of 1989)
- Businesses Act, 1991 (Act 71 of 1991)
- Western Cape Tourism Act (Act 3 of 1997)
- Cape Town International Convention Centre Company Act (Act 8 of 2000)
- Tourism Second Amendment Act (No. 70 of 2000)
- National Small Business Act (1996)
- Municipal Systems Act (2000)
- Municipal Infrastructure Act (2000)
- Western Cape Consumer Affairs (Unfair Business Practices) Act, 10 of 2002

During the year the following new legislation will be introduced:

A Tourism Registration Act aimed at mandating all tourism businesses to register: The Act will require tourism enterprises to adhere to basic minimum standards and will make provision for them to be listed on a marketing database.

A new institutional framework act to replace the Wesgro Act of 1996 and Western Cape Tourism Act of 1997: This will be aimed at joint marketing, to promote tourism, trade and investment through partnerships between province, local government and the private sector.

Provincial Liquor Act will be passed to replace the soon to be repealed Liquor Act, No 27 of 1989. The provincial liquor legislation in conjunction with the provincial liquor policy, will address the normalisation of the liquor industry, in particular the large number of unlicensed outlets while providing harm reduction measures to address the negative consequences of the liquor trade

8. BROAD POLICIES, PRIORITIES AND STRATEGIC GOALS

To achieve the vision of iKapa Elihlumayo the **fundamental priorities** for the Department of Economic Development and Tourism in the Western Cape Province at this time should be:

- Facilitate the creation of employment, especially for the presently unemployed,
- Broaden the ownership of and participation in the economy to represent the demography of the Province,
- Ensure citizens' rights as consumers are widely known and systematically respected,
- Empower entrepreneurs and their enterprises to be effective players in the global economy.

9. INFORMATION SYSTEMS TO MONITOR PROGRESS

Financial Information Systems

Transaction processing system

The Metanet system is used to process transactions on the Financial Management system.
The PERSAL system is used to process personnel related transactions

Accounting information system

The Basic Accounting System (BAS) will be used for this purpose

Internal audit system

This function is currently centralised.

Operational Information Systems

- A tourist guide registration system is in use to record all registered tour guides in the Province
- A liquor licensing system is in use to record all liquor licence holders.
- A call logging and registration system is used to record and manage consumer complaints and queries lodged through Cape Gateway's call centre.

Information Reporting Systems

Monthly programme evaluation and monitoring sessions are used to report on the progress of the service delivery, projects and programmes of the Department.

The Department has awarded a tender to a small Cape-based duo to help develop a groundbreaking Masters Systems Plan. It is based on a thorough brief intended to bring all our systems (verbal, paper-based and electronic) together once our business processes have been examined and prioritised.

10 DESCRIPTION OF STRATEGIC PLANNING PROCESS

Following regular review of our work and refinement of our programmes over the years, middle and senior management embarked upon two strategic planning sessions in January and July 2003. The first focused on the matrix approach to sectoral development with transversal identification of necessary interventions in infrastructure and skill provision plus desired equity outcomes. The second focused on more effective ways of establishing and growing enterprises, enhancing access to business opportunities through effective global business intelligence and enhancing the business environment in a highly competitive global environment.

Given the late announcement of the eight new key priorities of the Province and its coincidence with an extremely busy time of year, the department was unable to engage in another strategic planning process in order to unpack the implications of the key priorities and embed them in any meaningful way in our Strategic Plan by December 2003.

11 PROGRAMME 1: ADMINISTRATION

The aim of this programme is to conduct the overall management and administrative support of the Ministry, the department and the respective main divisions within the departments

11.1 Policies, Priorities and strategic objectives

Strategic goal 1: Providing for the overall management, administrative and functional support to the Office of the Provincial Minister of Tourism.

Strategic objectives:

- Ensure an advisory, secretarial, administrative and office support to the Minister of Tourism.

Strategic goal 2: The provision of effective and efficient administrative and financial support to the Department

Strategic objectives:

- To provide strategic direction and effective management of the department
- Ensuring sound financial management
- To render a transversal Human Resource Management to the Department and the Ministry

PART B:

BUDGET PROGRAMME AND
SUB-PROGRAMME PLANS

Measurable Objective	Performance Measure or Indicator	Cost Measure	Year –1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
Ensure an advisory, secretarial, administrative and office support to the Minister of Tourism	Fully operational office of the provincial Minister of Tourism.	R2349 000			100%	100%	100%
To provide strategic direction and effective management of the department	Development of departmental policies and guidelines. Strategic Plan and Annual report	R3358 000			Continuously	Continuously	Continuously
Ensuring sound financial management	Compliance with annual budget circulars issued by the provincial treasury	R1973 000			100%	100%	100%
	Competent financial component	R1659 000			100%	100%	100%
	Compliance with the Supply Chain Management Framework	R450 000			Daily / Continuously	Daily / Continuously	Daily/ Continuously
To render a transversal Human Resource Management to the department and the Ministry	Review and monitor the implementation of HR policies and plans to ensure effective service delivery	R1508 000			Annually	Annually	Annually

11.2 Programme 1: Administration: Programme budget by sub-programme (R million)

Sub-programme	Year - 2 2001/02 (actual)	Year – 1 2002/03 (actual)	Base Year 2003/04 (estimate)	Average annual change (%) ²	Year 1 2004/05 (budget)	Year 2 2005/06 (MTEF projection)	Year 3 2006/07 (MTEF projection)	Average annual change (%) ³
1. Office of the Minister of Tourism			2353	100%	2349	2500	2628	12%
2. Corporate Services	2 909	3614	9616	166%	8948	9464	11650	30%
Total programme	2909	3614	11969	231%	11297	11964	14278	26%

12 Programme 2: Enterprise Development

The aim of this programme is to grow key sectors in the regional economy to ensure competitiveness, employment, small business development, black economic empowerment and the geographic spread of economic activity and to ensure a fair business environment.

This programme will be structured as follows, focussing on the core elements of the micro-economic reform strategy and the objectives of iKapa Elihlumayo.

Sector-based interventions

A strategic plan for each targeted sector and sub-sector of the Western Cape economy should be developed and should indicate what major interventions are required to achieve the objectives of iKapa Elihlumayo. A key focus will be competitiveness to ensure that the economy retains and increases output and employment. In the light of the Growth and Development Framework Agreement

Theme-based interventions

Transversal equity and development themes to generate greater participation in the economy (BEE, women, youth, and geographic spread of economic activity) and more economic activity (co-operatives, community based projects).

Enterprise development

A significant part of this programme will focus on enterprise development. We will focus on three major programmes:

Enterprise Enhancement

- Identifying and assisting existing enterprises to make them globally competitive and to ensure their sustainability and growth.

Enterprise creation

- This will address ownership issues and will focus on the lack of opportunities for the resource poor.

Development of modern co-operatives

- This offers the opportunity for teams of variously skilled individuals to come together to form and occupy created enterprises.

12.2 Situation Analysis

- Because of the historical legacy and budgetary constraints, inter alia, there is agreement that this Department has been unable to intervene effectively to defend, grow and develop the economy significantly. The Department recognises that there are significant areas, which could be covered which are not currently covered.
- Despite improvements there is insufficient alignment and continuity between national, provincial and local government in the development of basic approaches, planning, policy development, strategy development and implementation on the ground.
- To fulfil our mandate this programme will have to develop a growth and development strategy that will identify growth sectors, pursue equity objectives, build partnerships, drive LED and IDPs meaningfully, generate a human development plan, support strategic infrastructure projects, drive the preferential procurement process, build black economic empowerment and geographic equity, based on the development of sustainable enterprises and through them, sustainable jobs.

12.3 Policies, Priorities and Strategic Objectives

Refer to sub-programmes below.

12.4 Analysis of constraints and measures planned to overcome them

Resource and capacity constraints within the Department could hamper the effective and efficient execution of the proposed interventions. A serious concern is the availability, readiness and capacity of our implementing partners, especially our rural partners.

The new direction and role of the department will have resource implications and this will have to be addressed with the Treasury

Detail of constraints and possible solution within the sub-programmes

12.5 Description of planned quality improvement measures

Although a number of key initiatives has been launch by the Department, further work is necessary to reflect potential areas of economic development, proper output-related and measurable benchmarks such as the skills gap, employment opportunities, contribution to GGP, growth rates, export potential, synergies, black economic empowerment and business opportunities for enterprises. We need to harmonise the Department's initiatives with those of other departments especially, Transport & Public Works and Agriculture to achieve complementary and optimal gains.

More detail within each sub-programme

12.6 Sub-programme 2.1: Business Regulation

Provision of a more effective regulatory framework that provides for equity and predictability in the business environment within the Province

12.6.2 Situation analysis

In terms of the provisions of the Constitution, the Provincial Government is, concurrently with the national sphere of government, responsible for consumer protection. An analysis of the demographic profile of the consumers and the distribution of consumers in the province has been conducted to determine the focus of the required service. The Consumer Affairs (Unfair Business Practices) Act, No 10 of 2002 was passed and the Office of the Consumer Protector established. In terms of the legislation a Consumer Tribunal is to be established and maintained. A network of 21 advice offices located in both the metropolitan area of Cape Town as well as the rural hinterland has been funded to provide consumer advice and assistance services throughout the province. An extensive public information and education campaign is to be conducted.

In terms of the provisions of the Constitution the Provincial government is exclusively responsible for the licensing of the retail liquor trade and micro manufacturing. A White Paper containing a policy on the liquor industry has been approved and draft legislation is being developed for implementation. The policy and legislation provides for the establishment of an independent statutory body that will regulate the retail and micro-manufacturing of liquor through the issuing of licences and the enforcement of licence conditions and the legislation by a system of inspectors and designated liquor officers within the SAPS. A training and education programme for licence holders relating to the sale of liquor has been developed and will be implemented. The ability to conduct research and to take preventative and remedial measures to combat the negative social effects of the sale of liquor has been established but must be expanded upon.

12.6.3 Policies, Priorities and strategic objectives

Strategic goal 1: Consumer protection

Strategic objectives:

- Raising the level of awareness of the rights of consumers amongst consumers and businesses in the province.
- The provision of measures for the protection of consumers through the provision of a complaints handling mechanism.
- Implementation of provincial consumer protection legislation and establishment and maintenance of subsequent structures.

Strategic goal 2: Regulation of the liquor industry

Strategic objectives:

- Implementation of provincial liquor legislation and establishment and maintenance of subsequent structures.
- Maintaining an effective and socially responsible liquor licensing system
- The development and implementation of a system of education, training and awareness of the sellers and consumers of liquor to reduce the harm associated with the abuse of alcohol.

12.6.4 Analysis of constraints and measures planned to overcome them

Capacity and resource constraints within the consumer advice office network affect the ability of the advice offices to provide consistent quality service. Training of consumer complaints advisors as well as capacity building within the management structures of the advice offices is required and will be provided. Resource constraints may affect the ability of the Consumer Tribunal to meet the demand for its intervention that is foreseen and the reallocation of financial resources may be considered if the demand exceeds the Tribunal's allocated resources.

The effective implementation of the provincial liquor legislation may be affected as the entry of the municipalities as implementation agents of the new system will require the provision of systems, training and the allocation of resources. Discussions with the local government structures to ensure the implementation are required. Measures to ensure that the largely unlicensed liquor retail sector is engaged to ensure the initiation of a licensing process to increase the number of licensed liquor outlets and decrease the number of unlicensed liquor outlets requires participation by all stake holders. The development, accreditation and implementation of a training programme for newly licensed liquor traders involve other stakeholders whose continued participation must be ensured.

12.6.5 Description of planned quality improvement measures

Information technology systems to provide for the effective implementation of the consumer and liquor legislation have been developed and are being implemented.

12.6.6 Specification of measurable objectives and performance indicators

Measurable Objective	Performance Measure or Indicator	Cost Measure	Year –1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
Raising the level of awareness of the rights of consumers amongst consumers and businesses in the province	In accordance with a comprehensive strategy provide:	R 725 310	Tender awarded to Commutant for pilot project of 6 months in 2003/04 financial year:				
	Public awareness campaign regarding the consumer legislation		Advertisements on trains, taxis and bill boards, Distribution of branded music cassettes to taxis and Spornet radio	300 000 consumers reached through mass media	350 000 consumers reached through mass media	400 000 consumers reached through mass media	500 000 consumers reached through mass media
	Public education campaign regarding consumer rights			300 000 consumers reached through mass media	350 000 consumers reached through mass media	400 000 consumers reached through mass media	500 000 consumers reached through mass media
	Design, produce and distribute, consumer education material			100 000 house holds reached through mass distribution	120 000 house holds reached through mass distribution	150 000 house holds reached through mass distribution	200 000 house holds reached through mass distribution
	In co-operation with other stake holders, particularly the advice offices, participate in localised public education projects and events			Participate in 4 festivals and 12 - 16 events	Participate in 5 festivals and 13 - 17 events	Participate in 6 festivals and 14 - 18 events	Participate in 7 festivals and 15 - 19 events

<p>The provision of measures for the protection of consumers through the provision of a complaints handling mechanism</p>	<p>Expand and maintain network of consumer advice offices;</p> <p>Provision of line functional training to consumer advisors (own and 6 advice office regions)</p> <p>Provision of managerial guidance to advice offices, including training</p> <p>Maintaining an acceptable quantitative and qualitative level of finalisation of complaints by own staff and advice offices</p> <p>Identifying, procuring and implementing an appropriate electronic complaints management system</p>	<p>R 1 428 620</p>	<p>18 advice offices maintained</p>	<p>Expand to 21 advice offices</p> <p>Advice offices of 4 regions trained as well as new own staff</p> <p>Management committees of 4 regions to be trained</p> <p>Own staff: 50 to 60 % resolution rate</p> <p>Advice Offices: 40 to 50% resolution rate</p> <p>Procured, piloted and first quarterly report produced</p>	<p>Expand to 26 advice office</p> <p>Advice offices of remaining 2 regions trained, follow up training to new or replaced staff in own and advice offices.</p> <p>Management committees of remaining 2 regions trained, follow up training for new management members</p> <p>Own staff: 50 to 60 % resolution rate</p> <p>Advice Offices: 40 to 50% resolution rate</p>	<p>Expand to 30 advice offices</p> <p>Follow up training to new or replaced staff in own and advice offices</p> <p>Follow up training for new management members</p> <p>Own staff: 50 to 60 % resolution rate</p> <p>Advice Offices: 40 to 50% resolution rate</p>	<p>Maintain 30 advice offices</p> <p>Follow up training to new or replaced staff in own and advice offices</p> <p>Follow up training for new management members</p> <p>Own staff: 50 to 60 % resolution rate</p> <p>Advice Offices: 40 to 50% resolution rate</p>
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Implementation of provincial consumer protection legislation and establishment and maintenance of subsequent structures	Resolution of referred consumer complaints by the Office of the Consumer Protector and the Consumer Tribunal	R 432 248	Legislation promulgated	Appointment of Chairperson and members Publication of regulations Tribunal adjudicates referred complaints	The measurable objective has been achieved and is subsumed as part of the provision of a complaints network	The measurable objective has been achieved and is subsumed as part of the provision of a complaints network	The measurable objective has been achieved and is subsumed as part of the provision of a complaints network
Implementation of provincial liquor legislation and establishment of subsequent structures	Establishing and operation of proposed structure Increasing the number of licensed premises	R 396 450	Draft Policy document approved	Policy document and legislation approved	Municipal and SAPS implementation structures fully functional Liquor Board and structures fully functional Increase in licences from 5500 to 6000	Increase in number of licences to 7000	Increase of number of licences to 8000
Maintaining an effective and socially responsible liquor licensing system	Increasing the number of licensed premises Increasing the number of complaints resolved	R2 571 717	Increase to 5000 Increase to 100	Increase to 5500 Increase to 150	Increase to 6000 Increase to 200	Increase in number of licences to 7000 Increase to 300	Increase of number of licences to 8000 Increase to 400

The development and implementation of a system of education, training and awareness of the sellers and consumers of liquor to reduce the harm associated with the abuse of alcohol.	Establishing and implementing an accredited education and training programme	R 770 267	Initiating development of training with partners	Training programme developed and accredited with SAQA			
	Ensuring that every new licence holder completes the prescribed training				1000 new licence holders trained	1000 new licence holders trained	1000 new licence holders trained
	Implementing measures to reduce the harm associated with the sale of liquor and alcohol abuse			Research into packaging initiated	Research into packaging concluded/ development of measures	Implementation of measures	Implementation of measures
Ensuring a general awareness amongst the public of provincial liquor licensing system and awareness of dangers of abuse			Public awareness campaign with partners	Public awareness campaign with partners	Public awareness campaign with partners	Public awareness campaign with partners	

12.7 Sub-programme 2.2 – Industry Development

In order to stimulate economic growth, key sectors of the economy are diagnosed and supported to develop projects and interventions that maximise efficiencies, thereby contributing to global competitiveness and sustainable job creation.

12.7.2 Situation analysis

The directorate's key focus and expertise on developing sectors, is guided by the outcomes of the Growth and Development summit. The strategic focus on priority sectors will further be guided by outcomes of the Micro-Economic Strategy process underway.

The Directorate is recognised as playing a leadership role in providing the institutional support capacity for key sectors. The Directorate has played a key role in the establishment, and direction taken by not-for-profit bodies such as the Cape IT Initiative (CITI), the Cape Bio-Tech Initiative (CBI), the Oil and Gas Initiative, the Cape Film Commission (CFC) and others.

The trade and investment function is closely guided by the sectoral priorities and with a newly restructured Wesgro has seen a considerable increase in provincial funding to ensure the delivery of a highly effective service.

By providing such support, the Directorate has developed expertise in drawing stakeholders together and developing long-term strategies to develop priority industry sectors. In so doing, the Directorate has forged strong partnerships with different spheres of Government, Labour, Higher Education Institutions and business. The development of key sector bodies has contributed to the revitalisation of priority sectors, the building of consensus and a common developmental approach. This has provided the platform to develop strategies and projects that will most effectively transform key sectors.

12.7.3 Policies, Priorities and strategic objectives

The Directorate is strongly influenced by cutting-edge international regional developmental thinking. This is embodied in the work by the Organisation for Economic Co-ordination and Development (OECD) and The Competitiveness Institute (TCI). At a national level there are four key policies that influence the strategic direction:

- The Micro Economic Reform Strategy (DTI)
- The Integrated Manufacturing Strategy (DTI)
- The Advanced Manufacturing Technology Strategy (DTI)
- The Customised Sector Programme (TISA)

Following the Provincial Growth & Development summit and as part of the Micro-Economic Strategy (MES), a clear process of on-going sector dialogue has been initiated. This will facilitate the work of the department in relation to identifying and facilitating appropriate sector interventions. The development of a matrix-based approach, which has been refined and co-ordinated by the Directorate, will be further developed, as an instrument for aligning provincial departments around the needs of the priority sectors.

Broadly, the choice of sectors is guided by a range of considerations including:

- Whether it is a traded sector (a lead or dependent sector)
- Size of the sector
- The level of maturity and responsiveness of the sector to provincial interventions
- Growth potential

- Job creation potential (labour intensive vs. capital intensive)

The MES will provide a rigorous framework and justification of the sectors to be prioritised by provincial government.

Tools are also being developed that will benchmark the performance of sector bodies as well as their impact on the sector and the economy. Benchmarking will be carried out on an annual basis, thereby providing a measurable “return” on government’s investment.

Strategic Goal 1: Sector development

Strategic objectives:

- To establish, fund and direct not-for-profit sectoral bodies to drive transformation and development within priority sectors.
- To develop and implement strategic projects through the sector bodies
- To develop sectoral strategic plans based on global analysis and in line with national strategy and to get buy-in from major provincial players around these plans.
- To identify the major initiatives such as the film studio that need to be taken to meet the sector targets as laid out in the Growth and Development Summit Framework Agreement and its subsequent sector-based processes and following the outcomes as intended by iKapa Elihlumayo.
- Ensure that through the sector initiatives and projects, employment is maximised and, where appropriate, stabilised, that opportunities for beneficiation are examined, legislation and regulatory issues are supported and human resource development, skills issues and equity issues are embedded in strategies.
- Develop tools that can measure the impact of sector initiatives and impact on the economy.

Strategic Goal 2: Economic stimulation

Strategic objectives:

- To attract investment into the regional economy
- To promote trade through the establishment of trading houses, and to encourage the development of emerging exporters.
- To facilitate the access to national and international contracts by local contractors
- To facilitate access to national incentives for economic expansion

Strategic Goal 3: Global Competitiveness

Strategic objectives:

- To fund and direct a Global Business Intelligence Unit that will guide thinking, and perform research into the regional economy.
- To facilitate initiatives in the human resource and skills development arena including funding projects such as the Learning Cape Initiative and the Learning Cape Festival, as well as encouraging the adoption of learnerships within industry.
- To fund and support initiatives through a Business Environment Enhancement Unit that addresses industry specific issues such as in infra-structure, skills, logistics, R&D, connectivity, innovation, new materials and technology use, advanced manufacturing and *kaizen* manufacturing principles.
- To fund and direct the activities of Wesgro, and to target projects and programmes that encourage trade and investment promotion.
- To develop and fund the development of trading houses as a key tool in exposing firms to global opportunities.

12.7.4 Analysis of constraints and measures planned to overcome them

The key constraint is the lack of core-operational funding to allow existing and new not for profit bodies to operate. There exists a strong risk that the progress made over the past five years be undone due to a lack of provincial commitment to supporting its priority sectors as the primary engines of growth, and contributors to employment and the fiscus.

Creative ways have been found to leverage funding and maintain current operations, but it has been inadequate, and is preventing progress.

12.7.5 Description of planned quality improvement measures

As the additional staff approved on the establishment during the year supplement the very stretched capacity of the directorate, better monitoring and evaluation tools will be put in place. The introduction of the matrix and evaluation tools as a way of benchmarking the performance of sector bodies will be key to this, as well as the creation of indicators to measure the impact of initiatives on the economy.

Through the intelligence unit better statistics will also be developed, thereby enhancing the ability of the unit to make strategic decisions regarding the selection of sectors, and allocation of project funding.

12.7.6 Specification of measurable objectives and performance indicators

Measurable Objective	Performance Measure or Indicator	Cost Measure	Year –1 2002/03 (actual)	Base year 2003/04 (est.)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
Funding and leadership of existing and new not-for-profit sector bodies.	Number of sector initiatives actively supported and funded, and combined impact of the sector bodies on KPI's and job creation measurables. Cape IT Initiative (CITI) Cape Biotech Initiative (CBI) Calling the Cape (CTC) The Cape Film Commission (CFC) Clotex The South African Wine and Brandy Institute The Cape Oil and Gas Supply Initiative The Cape Town Boat Building and Technology Initiative (CTBTI) Cape Craft and Design Institute (CCDI) The SA Mariculture Initiative (SAMI) SAPPEX (South African Protea Producers Exporters Forum) Cape Initiative in Materials in Manufacturing (CIMM)	R 4 000 000 iKapa Elihlumayo + R3 322 000 Operational	5	6	11	12	12

<p>Funding of major sector based initiatives:</p> <ul style="list-style-type: none"> • Arising from a Provincial Manufacturing and Technology strategy • Recommended by sector summits arising from the Provincial Growth and Development Summit process • Of a major infrastructural nature • Arising from the Micro-economic Strategy 	<p>To fund the strategies as well as projects and technology platforms identified in these. At least 3 major projects to be initiated through the process.</p> <p>Infrastructure: Film studio: Dependent on financial commitment by the project leaders, this funding will be measured by its contribution to ensuring the project is launched, as well the impact of the studio in the longer term, through an impact analysis.</p>	<p>R20 000 000 (iKapa Elihlumayo)</p>			3	3	3
<p>Increased foreign direct investment (FDI) & Trade</p>	<p>Funding of Wesgro: Value of new investments p.a. Number of direct jobs p.a.</p>	<p>R 6 000 000</p>	<p>R1billion 1500</p>	<p>R500 million 1000</p>	<p>R1billion 1500</p>	<p>R1billion 1500</p>	<p>R1billion 1500</p>
<p>Competitive emerging exporters</p>	<p>Training of emerging exporters Workshops on exporting and trade agreements Establishment of incentives programme for sector focused trading houses</p>	<p>R 200,000 + R1 600 000 operational</p>	<p>40 3</p>	<p>50 4 1</p>	<p>60 5 3</p>	<p>75 5 5</p>	<p>75 5 5</p>

<p>Facilitating Skills Development</p>	<p>Managing the process of managing an Integrated Human Resource Development Strategy (HRDS) for the province</p> <p>Management and co-ordination of the Learning Cape Festival</p> <p>Establishment and strategic support for a Learning Cape Initiative to facilitate the implementation and monitoring of the HRDS</p>	<p>R 255 000 Operational</p>			<p>Delivery of strategy</p> <p>Participation of 100 orgs</p> <p>Est. of body</p>	<p>120 Orgs</p> <p>Raise 50% funding</p>	<p>150 Orgs</p> <p>Raise 65% funding</p>
<p>Global Business Intelligence unit</p>	<p>Establishment of a regional economic statistical service to deliver key economic and sector statistics on a regional and international level</p>	<p>R 0 (to be funded through iKapa Elihlumayo)</p>					
<p>Business Environment Enhancement Unit</p>	<p>To develop programmes and projects focused on industry specific issues such as infrastructure and logistics, R&D, innovation, new materials, logistics, connectivity etc.</p> <p>To establish and fund a regional innovation support centre.</p>	<p>R 0 (to be funded through iKapa Elihlumayo)</p>			<p>5 key projects to be developed (Depends on funds)</p>	<p>5 key projects to be developed (Depends on funds)</p>	<p>5 key projects to be developed (Depends on funds)</p>

12.8 Sub-programme 2.3: Economic Development and Co-ordination

The provision of the foundations for the establishment of new enterprises and the growth of existing enterprises through a pipeline of services that enhances enterprise and employment creation (and retention) focussing on HDI ownership and geographic spread of economic activity.

12.8.2 Situation analysis

The creation and retention of jobs has long been the focus of all spheres of government. Increasingly, the critical need for and role of small enterprise development and growth, is becoming integral to the advancement of the objectives of iKapa Elihlumayo and, the micro-economic reform strategy of national government.

The advancement of enterprise development has to not only address the needs of the historically disadvantaged, but also spread development geographically for rural areas. The services provided by this component are limited by a lack of both human and financial resources. The component has however, proactively maintained close contact and partnerships with key role-players, to ensure maintenance of industry developments, and to gain valuable insights to the needs of these role-players.

The key challenges in the implementation of initiatives proposed by the component are stakeholder buy-in and adequate resources.

This unit will, align its interventions with both national and local policies and programmes. This would include for example, the IDP, National Small Business Act, Micro-economic Reform Strategy and the Integrated Manufacturing Strategy.

A viable, dynamic, autonomous, self-reliant and self-sustaining co-operative movement should play a major role in the economic, social and cultural development of the Western Cape, through effective and efficient services extended by co-operative enterprises to their members. Co-operatives contribute to the creation of decent employment, income generation, resource mobilisation, and broad-based economic empowerment, and would therefore enhance sustainable human development in the Western Cape (and South Africa).

The unit aims to increase the pace or speed-up growth and development by removing obstacles to competitiveness, to economic efficiency and to equity. The focus areas are: growth, competitiveness, employment, small business development, black economic empowerment (BEE) and a more equitable spread of economic activity across the province. Underpinning this is the emphasis on co-ordination across government sectors, between departments, within departments and between social partners. In doing so we

will be able to promote the broad approach of iKapa Elihlumayo in pursuing the systematic reduction of employment and income disparities in the Western Cape through enhanced economic activity.

12.8.3 Policies, Priorities and strategic objectives

Strategic goal 1: Enterprise and employment development

Strategic objectives:

- To develop an enterprise development pipeline, meaning a network of service providers addressing the problem areas experienced by businesses.
- To create “the red door” a single entry point for businesses to access the services of the pipeline in all major towns in the Western Cape

To achieve medium size business actualisation through sector based interventions and to develop small and micro sized business through the creation of the appropriate business infrastructure. Community Based businesses and co-operatives will be a key focus.

Strategic goal 2: Economic participation and enhancement

Strategic objectives:

- To implement projects and programmes that will increase black ownership, women’s participation, and opportunities for the disabled and the youth.
- To partner municipalities to implement projects and programmes within their IDP’s and ensure meaningful local economic development and geographic spread of economic activities.

To engage in public works programmes to ensure rural communities and businesses are empowered.

Strategic goal 3: Creating the foundations to do business**Strategic objectives:**

- To engage in initiatives to address widespread problems experienced by business such as access to finance for the resource poor, logistics (inbound and outbound) and promoting the use of incentives and grants from the public, private and NGO sectors.
- Actively maximising provincial government's spending and aligning it with local and national governments' plans.

Strategic goal 4: Creating a supportive environment conducive to the establishment and growth of community-based business organisations and co-operatives through iKapa Elihlumayo initiatives**Strategic objectives:**

- To assist SMME-support organisations to deliver effective services to SMMEs, community-based businesses and co-operatives;
- To facilitate the mentorship and incubation of SMMEs, community-based organisations and co-operatives
- To assist in the establishment and growth of sustainable community-based rural businesses and co-operatives

12.8.4 Analysis of constraints and measures planned to overcome them

Resource and capacity constraints within the directorate could hamper the effective and efficient execution of the proposed interventions. A serious concern is the availability, readiness and capacity of our implementing partners, especially our rural partners. The challenge to persuade partners to align their policies, strategies and programmes with national, provincial and local spheres of government could prove to be difficult.

As a unit we have shifted emphasis to a more interventionist approach. This means a re-orientation of the unit to focus on the enhancement and growing of enterprises and employment. Aside from the human-resource capacity demands this will require the demand for "outside-of-budget" funding will create a fresh new challenge. To address this, we will need to inter alia, constantly be talking to industry players and actively maximising all the WCPG departments spending and actively aligning these departments' thinking with national and local government programmes to result in integrated government impact.

It is envisaged that to overcome the aforementioned obstacles will require intensive engagements with all partners. This will assist us in, both understanding the problems experienced by our stakeholders and, designing appropriate support measures to address these problems. Again, emphasis will be on providing sustainable support to our (rural) local authorities. Implementing partners will be carefully selected on the basis of proven expertise. All projects and programmes will be subject to a system of monitoring and evaluation measures.

12.8.5 Description of planned quality improvement measures

The design and establishment of the RED door concept, to be rolled-out throughout the province, is an initiative that will ensure that businesses, especially in the rural areas are provided with quality information and assistance. Our ever-increasing relationship building and collaboration with municipalities should ensure selection of well-planned, appropriate, quality projects and programmes to ensure successful implementation. Our efforts will also be focussed on the establishment and growth of community-based business organisations and co-operatives.

All the aforementioned interventions will be underpinned by our efforts to assist the SMME-support service providers in delivering effective services to SMMEs, community-based organisations and co-operatives.

12.8.6 Specification of measurable objectives and performance indicators

Measurable Objective	Performance Measure or Indicator	Cost Measure	Year –1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
To develop an enterprise development pipeline, meaning a network of service providers addressing the problem areas experienced by businesses.	Number of service providers serving the needs of SMMEs in terms of information, access to finance, access to markets, training, etc.	R1400 000	19 service providers	20 service providers	20 service providers	20 service providers	20 service providers
To create the "RED Door", a single entry point for businesses to access the services of the pipeline in all major towns in the Western Cape	Number of physical "RED Doors" in especially the rural areas	R900 000	0 RED Door service points	05 quasi RED Door service points (City-based)	05 quasi RED Doors in major rural areas AND 01 in metro Cape Town	08 fully-fledged RED Doors in major rural areas	10 fully-fledged RED Doors in major rural areas
	Number of SMMEs assisted through the RED Door	R500 000	600 SMMEs assisted	600 SMMEs assisted	750 SMMEs assisted	900 SMMEs assisted	1100 SMMEs assisted

To achieve medium size business actualisation, the creation and development of small and micro businesses through sector based interventions.	Number of businesses created and or sustained through direct and indirect interventions, e.g. access to finance	R900 000	53	80	100	120	150
To support projects and programmes that will increase black ownership, women participation, and opportunities for the disabled and the youth through community-based enterprises. Community Based businesses and co-operatives will be a key focus.	Based on the strategic plans of the identified key sectors, the number of sustainable economic development projects identified and supported from the IDPs of municipalities.	R300 000	4	4	4	4	4
	Number of community-based enterprises established and or expanded, based on the strategic plans of the identified key sectors	R250 000	3 1 established 2 expanded	3 1 established 2 expanded	3	3	3
	Based on the strategic plans of the identified key sectors, the number of engagements assisted with expert advice and interventions.	R500 000	104 engagements	50	100	100	100
	Based on the strategic plans of the identified key sectors, the number of projects assisted with business plan evaluation.	R300 000	23 projects	5	8	10	11
To assist municipalities with their economic development responsibilities. Through the strategic plans of the identified key sectors, provide informed support to municipal IDPs to ensure meaningful local economic development and geographic spread of economic activities.	Number of Economic development units (EDUs) or structures with a similar function supported to provide capacity within a municipality.	R1 100 000	2 pilot EDUs established	5 EDUs supported	5 EDUs supported	5 EDUs supported	5 EDUs supported

	Number of local authority officials capacitated and or supported in their economic development responsibility	R250 000	10 Officials trained	10	10	10	10
	Assist & commission analysis of economic structures, trends and potentials for local areas to ensure sustainable plans for targeted initiatives for the regions (No. of Scoping exercises undertaken)	R350 000	1 scoping exercise conducted and a database &/or report available.	3 scoping exercise conducted and a database &/or report available	2 scoping exercise conducted and a database &/or report available		
To engage in public works programmes to ensure rural communities and businesses are empowered.	Number of projects impacted on through collaboration with other departments	R300 000	6 projects	10	12	14	16
To engage in initiatives to address widespread problems experienced by business such as access to finance for the resource poor, logistics (inbound and outbound) and promoting the use of incentives and grants from the public, private and NGO sector. To engage in initiatives to address widespread problems experienced by business such as access to finance for the resource poor, logistics (inbound and outbound) and promoting the use of incentives and grants from the public, private and NGO sector.	Number of assistance programmes addressing start-up SMMEs (including number of SMMEs)	R900 000	5 (100)	8 (160)	10 (200)	12 (240)	15 (300)
	Number of mentorship programmes (including number of SMMEs)	R300 000	4 (40)	3 (70)	5 (80)	8 (120)	8 (150)

	Number of business training and information programmes (including number of SMMEs)	R500 000	4 (160)	4 (200)	5 (240)	8 (300)	8 (360)
	Number of programmes enabling the access to tenders (including number of SMMEs)	R400 000	2 (100)	3 (140)	4 (160)	8 (200)	8 (200)
	Number of rural Library Business Corners serving as Information Depots	R296 000	27	30	35	40	45
	Publication and/or distribution of SMME-relevant information	R200 000	3 000 booklets	4 000 booklets	4 000 booklets	4 000 booklets	5 000 booklets
	Support and funding of the Manufacturing Advice Centre (MAC)	R1500 000	1 centre	1 centre & 1 satellite unit			
To assist SMME-support services providers to provide effective assistance to SMMEs, co-operatives and community-based business organizations	Number of formal service providers participating in the "pipeline of SMME-support services" and the re-orientation of service providers to deliver in geographically spread areas	R 4 000000			16	18	20
To facilitate the mentorship and incubation of SMMEs, community-based business organizations and co-operatives	Number of SMMEs, community-based business organisations and co-operatives assisted	R 5000000			100	120	120
To assist in the establishment and growth of sustainable community-based rural businesses and co-operatives	Number of community-based rural businesses and co-operatives established and supported, including ISRDP and Urban Renewal initiatives	R 9000000			30	35	45

10.9 Reconciliation of budget with plan

Sub-programme	Year - 2 2001/02 (actual)	Year - 1 2002/03 (actual)	Base year 2003/04 (estimate)	Average annual change (%) ²	Year 1 2004/05 (budget)	Year 2 2005/06 (MTEF projection)	Year 3 2006/07 (MTEF projection)	Average annual change (%) ³
Business Regulation	4 833	4 557	6 946	42.37	6705	6983	6983	4.27
Industry Development	9 271	4 847	10874	(4.47)	35377	36157	36346	9.57
Economic Development and Co-ordination	5 964	5 174	8 576	43.79	29146	29569	29569	
Total Programme	20 068	14 578	23 512		71228	72709	72898	

13. PROGRAMME 3: TOURISM

The aim of this programme is to develop and market tourism that will contribute to economic growth and job creation and ensure that all people in the Western Cape share the benefits derived. This would be achieved through ensuring that black economic empowerment becomes an integral part of tourism operations, that it contributes to the development of small businesses, that there is ongoing service quality improvements to promote excellence, that there is fair and regulated tourism business environment, that the Western Cape is positioned as a global competitive destination, that mechanisms are in place to ensure that meaningful alignment and partnership with key stakeholders and that monitoring and evaluation tools are in place to measure the impact of interventions that are implemented.

13.2 Situation Analysis

The tourism industry in the Western Cape is continuing to grow. Currently, it contributes 9.6% to job creation and 9.8% to the provincial GRP. As such, tourism is seen as one of the key sectors within the provincial context. This growth is however not without challenges. Those challenges relate to limited transformation due to minimal involvement of black people both in ownership and management. There is also a skewed geographic spread of tourism with metro areas more developed than the hinterland in terms of infrastructure. The industry is characterized by fragmentation and duplication of marketing efforts and inadequate budget allocation for marketing. This on its own necessitates the need to address fragmentation and review the strategy so that appropriate resources could be allocated to support growth. Other major issues affecting the industry are related to limited direct air access and the existing perception of South Africa as an unsafe tourist destination. If we have to move forward we need to address the above challenges and ensure that we grow the tourism economy for the benefit of all concerned.

This necessitates that we review our policies to address transformation issues as well as provision of infrastructure. We also need to implement human resources development programmes that will assist in promoting excellence and addressing transformation issues. We also need to put in place integrated tourism support programmes that will assist in increasing the number of tourism businesses in the province. However, the increase in number of businesses will require vigorous marketing support in order to increase the number of tourists, thus stimulating demand for new products.

13.3 Policies, Priorities and strategic objectives

The Tourism Programme has developed a White Paper on Sustainable Tourism Development and Promotion in the Western Cape, which provides policy directives, strategic imperatives and institutional arrangements to guide tourism in the province. Based on the White Paper, strategic documents have been developed to guide the policy implementation. They are as follows:

An Integrated Tourism Development Framework to identify priority areas for tourism growth and required public and private sector investment to support that growth.

A Strategic Tourism Marketing Framework to devise a focused, winning game plan to compete for the largest possible share of domestic and international tourism markets.

A Tourism Safety and Security Strategy to provide guidelines for dealing with issues related to the prevention of crime against tourists, managing incidents of crime against tourists and providing after care in the unlikely event of crime against tourists.

A Tourism Road Signage and Information Provisioning Framework to provide guidelines for applying for facility and route signs, to integrate road signs within the broader information provisioning framework and to put in place mechanisms to administer applications for road signs.

A Tourism Human Resources Development Framework to promote tourism excellence and to use it as a tool to address problems of transformation in the tourism industry.

An Integrated Tourism Business Development Support Model to provide integrated support focusing on capital and expertise with proper monitoring and evaluation of impact.

A Project Funding Policy to serve as a blue print for funding community based tourism projects, initiatives and businesses.

STRATEGIC GOAL 1: Grow the tourism economy and ensure that benefits derived from tourism are spread equitably

STRATEGIC OBJECTIVES:

- To broaden the ownership base of the tourism economy
- To enhance productivity and skills development and create employment in tourism
- To ensure a fair, predictable and regulated tourism business environment
- To promote coordination, communication, networking and partnership between stakeholders impacting on tourism
- To promote effective marketing of tourism globally and locally

13.4 Analysis of constraints and measures planned to overcome them

The major impediment to the implementation of our policies and programmes is the limited budget and human capacity. It is therefore important that the component seeks partnerships with external role-players that impact on tourism growth. Such role players could be local and national government, development agencies, financial institutions, international donors and other partners who could add value towards promoting tourism growth. Issues related to addressing safety, air access, infrastructure deficiencies, transformation, etc can only be addressed through strong partnerships and networks with private sector and other structures.

13.5 Description of planned quality improvement measures

A New Destination Marketing Organisation and related bodies will bring unity and focus to tourism marketing.

13.6 Sub-programme 3.1: Tourism development

11.6.1 Situation Analysis

The demand for services

According to WESGRO, tourism contributes to 9.6 % (140 000 jobs) of employment and 9.8 % or R14.5 billion to the provincial GDP. As such tourism is seen as one of the major sectors driving the economy of the Western Cape.

Overseas tourist arrivals are up from 810 000 (in 2000) to 976 000 (in 2002).

As tourism begins to challenge the hegemony of the traditional sectors of agriculture, manufacturing and trade (old economy sectors) this new economy industry is seen by both the private and public sectors as providing a basis for future economic growth. This is also a key sector for job creation and wealth creation.

However, the Western Cape experience has shown that economic growth from tourism has not been accompanied by enough specific interventions to address the ever-widening gap between rich and poor.

Investment in any sector therefore has to address two issues:

- The need for economic growth
- The need to bridge the gap between rich and poor

With this in mind the directorate: tourism development has a vision of “...growing the tourism economy and spreading the benefits to all inhabitants of the Western Cape...”

In order to achieve this vision we not only need to look at economic growth but also the spread of benefits to all communities. Primarily we are looking at two kinds of distribution: The first being spatial or geographic distribution of benefits and the second being demographic distribution.

Appraisal of performance over the past year

The plan for developing the industry is contained in the Integrated Tourism Development Framework (ITDF).

This framework reviews tourism potential, supply patterns, possible product portfolios and routes and tries to match these with the demand from primary and secondary international and domestic markets servicing the destination.

The plan identifies 11 nodes and corridors (called tourism development areas) worthy of further development in the province. These areas were chosen on the basis of:

- product and resource strength
- supply of infrastructure
- market requirements and trends
- socio-economic need

The strategy is to look at where potential demand may go, to assess product and resource strength, to ascertain supply of infrastructure to understand the market requirements and trends and to map all of this taking into account the socio-economic need of various communities across the province.

The department views the ITDF as its guiding document over the next 10 years in the field of tourism development. The key approach in our work over the last year has been to leverage support, commitment and adoption of the plan by other agencies impacting on tourism. To a large extent this approach has been successful as other programmes like provincial transport plans, provincial environmental plans and IDPs are beginning to take cognisance of the ITDF and integrate it into their work.

In total the following 11 areas have been identified on the basis of the strategy and approach outlined above:

- Cape Town Foreshore
- Cape Flats
- Stellenbosch-Paarl-Franschhoek
- Langebaan-Velddrif
- Overstrand

- L'Agulhas
- George-Mossel Bay-Oudtshoorn
- Eastern gateway (Plett-Knysna-Wilderness)
- Beaufort West
- Cederberg gateway
- Route 62

In the past financial year, the plan was introduced to all six regions of the province and was received favourably.

Road shows were held in the regions to communicate the implications for implementation to local government and relevant departments. Implementation began in three of the identified 11 priority nodes in the province – the Foreshore, Cape Agulhas and the Cape Flats. There was also commitment to fund the implementation of projects in the other areas.

Initiatives to fund projects from national poverty relief funds in co-operation with the Department of Environmental Affairs and Tourism were managed on behalf of the Griqua Ratelgat Development Trust for product development, Elands Bay for infrastructure and accommodation and the establishment of a training centre and outlet for arts and crafts in Ceres. The West Coast Investment Initiative saw the facilitation of 10 projects to the value of R1-million, provided by the DTI.

Entrepreneurship support programmes were taken further, including the Tourism Help Desk Programme, which held forums every quarter. SMME workshops hosted throughout the province provided opportunities for emerging entrepreneurs to develop their businesses. A handbook, "Facilitating Entrepreneurship in Tourism" was produced and distributed. Small tourism businesses were given the opportunity to promote their products at the "Western Cape Tourism Showcase – Exploring the Undiscovered Gems" held at Grand West Casino during 2002. During the Showcase the Western Cape Chapter of the Africa Travel Association was launched with a departmental representative as chair. The department started the first ever mentorship programme with SATSA where 10 SMMEs were matched with mentors from SATSA.

The department was privileged to co-host and participate in the successful "Responsible Tourism in Destinations: Shaping sustainable spaces into better futures" conference which preceded the World Summit on Sustainable Development in August 2002. Over 250 delegates from around the world attended the conference. The programme included site visits along five routes into the hinterland focusing on applying the principles of responsible tourism to build capacity of site managers to achieve the triple bottom line of economic, social and environmental sustainability.

The Cape Craft and Design Institute, co-funded by the department in order to sustain and maintain the holistic support they provide to crafters, achieved outstanding results in profiling and selling over R600 000 of Western Cape craft at the World Summit on Sustainable Development, Epcot and the North Sea Jazz Festival. The CCDI was successfully launched at the first function in the new CTICC.

The Cape Town International Convention Centre was completed and officially opened, providing the province with a facility to stimulate entrepreneurship amongst local people, open opportunities for the growing meetings and incentives market, contribute towards job creation in the city and spread tourism to rural areas.

The Tourism Human Resources Development Framework was developed in order to promote tourism excellence and to open opportunities for participation by marginalized communities. It will give strategic direction to both the private and the public sector on the required intervention with respect to tourism skills development. This is aimed at providing entry into the tourism industry for people from historically marginalized backgrounds and consultation with stakeholders has already taken place.

Thirteen students from previously disadvantaged groups are benefiting from bursaries to attend the Hotel School of the Cape Technikon as part of the department's commitment to bridging the skills gap. The students are now in their second year of study.

Forty-two schools participated in a competition to raise awareness of tourism and entrepreneurship and the winning project in Swellendam was turned into a business opportunity.

Financial support was provided to the Western Cape Tourism Board to market and promote the province, the various regions and tourism products.

A historical agreement was signed between the city and province aimed at ensuring co-operation in marketing the city and province. A strategic marketing framework was finalized and this will result in the change of legislation and the formation of a new destination marketing organization.

Key Challenges

The key challenges facing the tourism development sector over the strategic planning period include the following:

- Attracting sufficient resources and partnerships to implement the integrated tourism development framework
- Integrating the ITDF into local government IDPs and lobbying to ensure that both national and other provincial government departments take the ITDF into account when making tourism based investment decisions
- Developing partnerships with the private sector in order to promote access to the market place, access to capital and access to expertise for new entrants and previously excluded communities.
- Raising the level of awareness of tourism as a resource in communities.
- Limited funding to effect transformation of the tourism sector

13.6.2. Policies, Priorities and strategic objectives

STRATEGIC GOAL 1: Broadening the ownership base of the tourism economy through the development and implementation of: the integrated tourism development framework, entrepreneurship programmes, facilitating industry-wide dialogue on empowerment and a community tourism programme

STRATEGIC OBJECTIVES:

- Organization of industry-wide dialogue mechanism including a summit on BEE in the industry
- Development of a detailed plan to give effect to widening the geographic spread of the benefits of the tourism industry
- Implementation of Cape Agulhas framework
- Implementation of Cape Flats Tourism development framework
- Implementation of plans for the Northern Gateway
- Development and implementation of frameworks and projects in other areas identified by the ITDF
- Integration of ITDF into IDPs and tourism related plans of provincial and national government departments and other agencies and setting up a forum to effect delivery of the ITDF
- Development and implementation of an integrated entrepreneurship support model
- Implementation of a Tourism Help Desk Model
- Development of catalyst fund
- Partnership with other stakeholders
- Monitoring and evaluation programme
- Cape Tourism Showcase
- Implementation of a mentorship programme
- Promotion of BEE
- Setting up an information database
- Implementation of community tourism projects
- Implementation of a schools awareness programme
- Implementation of community tourism awareness programme
- Poverty relief and LED projects

STRATEGIC GOAL 2: Implementing projects arising from the Human Resource Development Framework to enhance productivity, and skills development

STRATEGIC OBJECTIVES:

- Development of partnerships with education, labour, Theta, educational training institutions and service providers
- Implementation of specialized market-related training of tourist guides
- Implementing a scarce skills strategy

STRATEGIC GOAL 3: Promoting the effective marketing of tourism globally and locally by maintaining and Sustaining tourism institutions

STRATEGIC OBJECTIVES

- Fund and sustain the WCTB and the new Western Cape Destination Marketing Organization
- Fund and sustain the Cape Craft and Design Institute

13.6.3 Analysis of constraints and measures planned to overcome them

The major impediment to the implementation of the ITDF remains capital and the directorate will look to the following areas to overcome this constraint. – provincial government funding, Lotto funding, national poverty relief funding, community public works funding, special transport and infrastructure funding run by both national and provincial governments, partners like DBSA, SANPARKS etc, and international funding agencies like EU, DFID etc. We will also look to national funding agencies like NDA, IDC and the CSIR.

The key constraint for new entrants into tourism remains market access. Success in this area can only be achieved through strong partnerships and networking. Programmes to develop these strong links with the private sector will be pursued.

A key area of constraint is the extent to which the broad public understands its role in tourism. Targeted partnership programmes with the private sector aimed mainly at schools (tourists of the future) will look at subsidizing social tourism programmes in off-peak periods.

13.6.4 Description of planned quality improvement measures

Quality improvement measures include – quarterly review, peer review and public impact survey. These will form the basis of reviewing quality on an annual basis

13.6.5 Specification of measurable objectives and performance indicators

Measurable Objective	Performance Measure or Indicator	Cost Measure	Year –1 2002/03 (Actual)	Base year 2003/04 (Estimate)	Year 1 2004/05 (Target)	Year 2 2005/06 (Target)	Year 3 2006/07 (Target)
1. ITDF							
Implementation of Cape Agulhas framework	Projects from framework implemented	R 430 000	Concept of framework accepted by municipality	Framework developed	Attracting potential partners and investors to projects	Development of southernmost tip	Development of projects in surrounding towns
Implementation of Cape Flats Tourism development framework	Projects from framework implemented	R 280 000	Concept accepted by stakeholders	Framework developed (emphasis on culture and heritage tourism)	Attracting potential partners and investors to projects	Development of magnet attraction	Development of projects surrounding magnet attraction
Implementation of plans for Northern Gateway	Northern gateway established	R 420 000	Concept accepted by stakeholders	Feasibility study completed	Building operations begin	Completion of northern gateway	Implementation of maintenance programme
Development and implementation of frameworks and projects in other nodes of the ITDF	Frameworks developed for all nodes	R 780 000	Concept widely communicated	Concept accepted by all stakeholders	Framework developed in all 4 nodes	Framework developed in a further 4 nodes	Magnet projects from each node completed
Integration of ITDF into IDPs and tourism related plans of provincial and national government departments and other agencies and setting up of forum	ITDF adopted in all IDPs and tourism related plans of national and provincial government	R 230 000	Concept developed and introduced to stakeholders	Regular contact sessions with stakeholders to communicate plan and review implementation. Formal forum set up.	Plans adopted in IDPs. Plans reviewed	Plans adopted by national and provincial government departments. Plans reviewed	Ongoing communication of ITDF. Five year strategic review
2. ENTREPRENEURSHIP							
Development and implementation of integrated entrepreneurship support model	Integrated support model piloted, evaluated and rolled out	R 4 000 000 (funded from iKapa elihlumayo)	Nil	Concept developed with DBSA and feasibility explored.	Pilot model rolled out for implementation, based on feasibility	Pilot model reviewed	Programme rolled out in all six regions of the province
Development of catalyst fund	Catalyst fund fully developed and operational	R 540 000	Nil	Concept being discussed with stakeholders	Pilot fund implemented as a first step	Review	Catalyst fund fully implemented

Implementation of Tourism Help Desk Model	Tourism help desks fully functional	R 380 000	THD programme available to the six regions of the province	THD programme institutionally linked to district councils and other structures in the regions	Programme maintained and sustained	Programme maintained and sustained	Programme maintained and sustained
Partnership with other stakeholders: industry-wide debate	Relationships with partners and stakeholders beneficial for all parties Dialogue and summit on empowerment in the industry	R 230 000	Identification of stakeholders and formal partnerships established Declaration or charter adopted	Formal partnerships established with TEP, SATSA, Transport, Local municipalities Implementation of charter	Regular formal programme developed and maintained	Regular formal programme developed and maintained	Regular formal programme developed and maintained
Monitoring and evaluation programme	System of M and E fully implemented	R 230 000	Nil	Pilot system being implemented	System review	System maintained and sustained	System maintained and sustained
Cape Tourism Showcase	Increased no. of businesses getting exposure from showcase. Proper monitoring and evaluation system in place	R 310 000	1 st showcase held	Successful showcase linked to other shows at CTICC Impact report evaluated and implemented	Successful showcase linked to other shows held at CTICC	Successful showcase linked to other shows held at CTICC Impact report evaluated and implemented Linkages with other shows in other provinces	Successful showcase linked to other shows held at CTICC Impact report evaluated and implemented Linkages with other shows in other provinces Formal Linkage of cape Showcase to Indaba
Implementation of mentorship model	Increased profit for businesses participating in mentorship programme. Programme rolled out to include start ups	R 450 000	Programme conceptualised	Programme successfully implemented between 10 mentors and mentees	Programme expanded to include regions	Programme expanded to include regions and start ups	Programme includes regions and start ups Five year review
Promotion of BEE	Increased no. of black businesses fully operational in the sector Sector fully educated on BEE Increased awareness of BEE companies of the opportunities in tourism	R 230 000	Nil	Successful tourism based BEE conference held	BEE directory fully developed Increased utilization of black business by both the private and the public sectors	Formation of representative structures	Ongoing maintenance and support

Setting up information database	Nil	R 280 000	Conceptual framework formulated	First pilot introduced	Programme rolled out in the province	Programme sustained and maintained	Programme sustained and maintained
3. COMMUNITY TOURISM							
Implementation of community tourism projects	Community projects in line with ITDF fully implemented	R 680 000	Community projects in all six regions of the province supported and implemented	Community projects in line with ITDF supported	Establish formal linkages between community based projects and entrepreneurship	Develop a model for successful entrepreneurially independent community based tourism projects	Ongoing maintenance and support and model rolled out to all six regions
Implementation of schools awareness programme	Tourism awareness programme at schools fully implemented	R 280 000	Successful schools competition held in 24 high schools and 80 primary schools	Implementation of business plan (e-plan) for successful winning school in 2002)	Schools programme implemented in all six regions of the province	Ongoing support and maintenance	Ongoing support and maintenance
Implementation of community tourism awareness programme	Implementation of community tourism awareness programmes	R 230 000	Nil	Development of plan for community tourism awareness programmes	Implementation of pilot in line with ITDF	Roll out of plan to all six regions of the province	Review
Poverty relief and LED projects	Implementation of poverty relief projects and LED tourism projects in line with ITDF	Dependent on Poverty Relief funding (not funded in budget)	Projects implemented	Alignment with ITDF sought	Ongoing maintenance and support	Ongoing maintenance and support	Ongoing maintenance and support
4. PRODUCTIVITY AND SKILLS ENHANCEMENT							
Development of partnerships with education, labour, Theta, educational training institutions and service providers	Structured relationships with education, labour, theta, educational training institutions and service providers	R 210 000	Informal relationships with sectors	Formal talks with sectors	Establishment of formal forums to facilitate discussion Ensure co-ordination between employers training institutions and marketing organizations	Ongoing maintenance and support	Ongoing maintenance and support
Implementation of specialized market related training of tourist guides	Guides in niche markets like – flowers, rock art, whale watching, wines etc.	R 330 000	Nil	Development of a plan for training of tour guides in line with ITDF	Implementation of aspects of the plan in line with ITDF	Plan fully implemented in nodes of ITDF	Ongoing maintenance and support

Implementing a scarce skills strategy	Human resources equipped to service needs of the growing tourism industry. Tourism bursary fund in place	R 280 000	Piloted tourism bursary fund	Fund fully supported and maintained	Matching scarce skills in ITDF nodes to needs in industry. Bursaries funded in this basis	Ongoing programme	Ongoing programme
3.GLOBAL AND LOCAL MARKETING							
Western Cape Destination Marketing Organization	Western Cape DMO fully established, operational, maintained and sustained	R 20 640 000	WCTB maintained and sustained	WCTB and transitional structures maintained and sustained	DMO fully operational, sustained and maintained	Ongoing support	Ongoing support
Cape Craft and Design Institute	CCDI fully operational in all regions of the province	R 430 000	CCDI established	CCDI formally launched	CCDI programmes expanded to six regions of the province in line with the ITDF	Ongoing support for projects in line with ITDF	Ongoing support for projects in line with ITDF

13.7 Sub-programme 3.2: Tourism regulation

13.7.1 Situation Analysis

The Western Cape faces the realities of emerging markets and global demand trends, this presents a challenge for the Province to align itself to the international best practice by creating a more enabling environment for tourism growth and to further create a regulated business environment for predictability and sustainability.

This can only be achieved through regulatory frameworks and policies, infrastructure support and intervention measure to maintain uniformity and standards.

“To create a more enabling environment in order to grow tourism for the benefits of all”

13.7.1.1 Appraisal of performance over the past year

Road Signage

The Integrated Tourism Information and Facility Signing Framework, addresses infrastructure imperatives to grow tourism.

The framework introduces signage as part of the information-provisioning network. It looks at information points and how they strategically link into information distribution. Procedure for applications and administrative mechanisms.

Some of the key achievements include:

- Maintenance of Regional Tourism Liaison Committees (RTLCS) that are responsible for administering the sign issuance and approval at local level. To date four RTLCS have been formed in the province and all delayed applications have been attended to.
- Steering Committees for implementation in two pilot areas have been set. They have managed to fast track plans to get institutional support from other sectors
- Planning phase for the two pilot areas have been completed
- Planning phases for two priority routes viz. Outeniqua Hop Country Route which hoped to get publicity during the President 's Cup and Eden Country that will link tourism attractions in smaller rural towns
- Marketing of the framework undertaken to include private sector and support of the plan
- Feasibility study for visitors' information centres and gateways
- Assistance rendered to other developing routes, Overberg Meander and Overstrand
- Embarked on a training programme for guides

Safety and Security

- The tourism safety and security plan that has received national and international accolades has been rolled out to regional level. Parallel to this, both proactive and reactive measures are being intensified.
- All victims of crime have been given the necessary support
- A trauma centre at the Cape Town International Airport
- Tourism safety and security conference with national and international input organized to share expertise and knowledge in response to the recent tragic world events
- Maintained the safety and security forum and the task team responsible for implementation of the strategy
- Maintained the crisis communication team

Registration of Tourist Guides

- A web enabling system with linkages to major websites to market and profile guides have been developed and launched
- Transformation plan to capacitate guides and to bring about representation in the tour guiding sector
- Tapped into national programmes aimed at training and capacity building for guides
- Special office facility for registration of guides opened
- Federation of guides, Western Cape Chapter formed
- Quarterly newsletter for communication with guides maintained
- A directory for all registered guides opened as part of the marketing plan
- Campaign to clamp on illegal guides embarked on
- Strategy to address illegal guiding finalized

Registration of tourism businesses

- Concept marketed and all linkages made with other programmes such as the e-business strategy with regards to minimum requirements
- Draft legislation finalized and ready for public process

13.7.2 Policies, Priorities and strategic objectives

STRATEGIC GOAL 1: ensure a fair, predictable and regulated tourism business environment

STRATEGIC OBJECTIVES:

- Registration of tourist guides in the province
- Introduction of legislation to govern registration of all tourism businesses in the Province
- Promote tourism safety and security and implementation of plan
- Promote effective implementation of tourism road signage in the province

13.7.3 Analysis of constraints and measures planned to overcome them

Tourism is a broad based industry and its success is dependent on partnerships and collaborations with other government departments, private sector and non-governmental sectors. In order for this to happen one needs to engage in consultative processes, which at times take longer than envisaged and thus have an impact on performance and delivery.

Most of the strategic frameworks that are developed by the department are implementable at local level, and therefore imposes added responsibility on local government, which in most cases, result in stagnation due to structural and financial problems.

Some of the responsibilities that will lead to infrastructure support, reside in other departments e.g. Implementation of tourism signage in terms of planning phase, manufacturing and erection of signs is the responsibility of Transport Department, Although there is commitment on their part, implementation of signage framework, is not their priority as it is to tourism

Measures to overcome them are the establishment of different multi-sectoral committees and forums to look at fast tracking processes and;

Programmes to market and communicate the essence of some of the strategic framework have been developed to get buy-in from stakeholders

Regular meetings and events are held to promote the spirit of cooperative governance

13.7.4 Description of planned quality improvement measures

- Training for LTBs
- Outsourcing of services to bring about efficiency and effectiveness
- Funding partnership with local government and private sector
- Promote ownership of projects by local government by giving administrative support e.g. RTLC
- Establish a separate office of the tourist guide registrar
- Develop a web enabling tourist guide registration system to manage communication and improved service

13.7.5 Specification of measurable objectives and performance indicators

Measurable Objective	Performance Measure or Indicator	Cost Measure	Year –1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
Registration of tourist guides	Increased number of registered tourist guides especially of colour in line with the demands of the market On-going capacity building and communication with guides Web enabling	R 488 000	To date have 2500 registered guides and 10% of those are of colour A newsletter has been developed as two way communication between the Dept and guides	The number of registered guides of colour to increase by 15% this to be achieved by intervention mechanisms such as training A fully functional registration system to be completed	The number of registered guides with access to the market should grow by 20%	The number of guides to increase by 35% and linkages to other opportunities	Number to grow by 50% to reflect the demographics of the population

PART B:

BUDGET PROGRAMME AND
SUB-PROGRAMME PLANS

Registration of tourism businesses	New Tourism Act in place	R 400 000	Concept has been presented to majority of stakeholders and it is well received	Draft legislation ready for public process	Registration of tourism businesses to commence and linkages to other programmes such as e-business strategy Visitor Information Centre	All tourism businesses to be registered	Marketing plan for registration of non tourism business to be embarked upon
Promote tourism and security	Local government road shows, safety forum, task team, victim support, brochure and conference	R 1 500 000	-Tourism safety and security plan and crisis plan in place -Buy in from stakeholders including local government sourced	Action plan derived from the conference ready for implementation to build	Strong tourism safety infrastructure in place and replication at local level	Fully functional tourism safety structures at regional level International Tourism Conference	Reduction of crime reported cases Review of plan and improvement on victim support
Oversee and promote implementation of tourism signage	RTLCS up and running, communication and training of local government and implementation in two pilot areas	R 1 500 000	Four RTLCS structures have been set and functioning effectively to address backlogs Implementation plans for the two pilot areas workshopped and finalized. Planning phase for priority phase completed	Maintenance of RTLCS and implementation in two pilot areas to commence - Feasibility study for information centres and gateways - Planning phase for another super route to complement route 62	Formation of RTLC forum Development of a route connection plan to link all routes Infrastructure development for gateways and information centres	Independent RTLC structures in all the regions All information offices and gateways to be accredited and fully functional	Upgrading of routes Review of information centre and added services

13.8 Reconciliation of budget with plan

Sub-programme	Year - 2 2001/02 (Actual)	Year - 1 2002/03 (Actual)	Base year 2003/04 (Estimate)	Average Annual change (%) ²	Year 1 2004/05 (Budget)	Year 2 2005/06 (MTEF projection)	Year 3 2006/07 (MTEF projection)	Average annual change (%)
Tourism Development	25 142	117 755	36 463	43.92	27490	29532	29532	0.09
Tourism Regulation	2 696	6 675	4 594	68.29	3888	4707	4707	21.06
Total Programme	27 838	124 430	41 057		31378	34239	34239	

14 PROGRAMME 4 *iKapa Elihlumayo*

The aim of this programme is to develop and refine a comprehensive and rigorous micro-economic strategy for the Province and to make interventions in the economy in order to achieve significant growth, create employment, change ownership patterns, promote participation by all in the economy, promote equity, reduce poverty and improve the quality of life of citizens.

The programme will be structured as follows:

- Development of a Micro-economic Strategy including output benchmarks and a monitoring system
- Economic Elihlumayo Economic Stimulation Programme to ensure that key interventions identified by the Micro-economic Strategy are implemented

14.2 Situation Analysis

At present we are intervening in the economy without having the benefit of a comprehensive, detailed and widely agreed Micro-economic Strategy to inform our actions. Our current interventions are fully in tune with the broad principles of the concept of *iKapa Elihlumayo* and the spirit of the Framework Agreement emerging from the Provincial Growth and Development Summit held in November 2003. However, a comprehensive MES needs to be developed to define and prioritise those targeted interventions that will have maximum impact per Rand spent to place the Province on a sustainable growth path that addresses equity issues and the need to create sufficient decent jobs.

14.3 Policies, priorities and strategic objectives

The MES will be developed in conjunction with a raft of other comprehensive Provincial plans and strategies that will inform and be informed by each other. Together they will create a coherent framework within which Provincial budgets can be reorganised to give maximal effect to the Provinces key priorities. They will also give all citizens that actions taken and interventions made arise from a serious and deeply considered framework.

STRATEGIC GOAL 1: Development of a Micro Economic Strategy (MES)**STRATEGIC OBJECTIVES:**

To develop a comprehensive micro-economic strategy for the province that will guide our strategic interventions in the economy to achieve meaningful growth, significantly reduce unemployment and reduce inequality and poverty in the Province.

- To shape specific initiatives to give effect to the recommendations contained in the MES.
- To develop a monitoring and evaluation system to measure the impact of interventions made in terms of the MES.

STRATEGIC GOAL 2: Make effective use of the iKapa Elihlumayo Economic Stimulation Programme**STRATEGIC OBJECTIVES:**

- To finance critical interventions in the economy to increase employment, stimulate growth and reduce inequalities.
- To “crowd in” investment by the private sector and attract financing from other spheres of government.

14.4 Analysis of constraints and measures planned to overcome them

Our constraints are presently the result of the absence of a comprehensive Micro-economic Strategy that informs our interventions in an authoritative manner. As a result of the absence of other rigorous and fully aligned provincial development strategies and plans, there is a lack of synergy between Provincial departments in general but most notably, for primarily economic interventions, those in the Economic Cluster. The creation of the MES will give greater certainty to our approach and will provide the assurance that funds spent under the auspices of the iKapa Elihlumayo Economic Stimulation Fund are achieving maximum impact.

14.5 Description of planned quality improvement measures

The MES will be developed in such a manner that it obtains the endorsement of leading Provincial national and international development economists. A critical component of such a strategy will be an effective means of monitoring and evaluating its impact to allow for on-going and regular quality improvement.

14.6 Specification of measurable objectives and performance indicators

Measurable Objective	Performance Measure or Indicator	Cost Measure	Year –1 2002/03 (actual)	Base year 2003/04 (estimate)	Year 1 2004/05 (target)	Year 2 2005/06 (target)	Year 3 2006/07 (target)
Micro Economic Strategic Plan	In accordance with the broad goals of iKapa Elihlumayo and the specific targets set in terms of the Framework Agreement arising from the Provincial GDS	R 2 000 000			Develop strategic plan 6 months in 2004/05 financial year: Monitoring and Evaluation system Benchmarks as baseline to measure impact		
iKapa Elihlumayo Economic Stimulation Programme	To invest funds in strategic development interventions in order to attain employment generation and per capita income growth through specific projects	R 2 425 000	Interventions as identified by research and partners, IDP's and the GDS outcomes	Interventions as identified by research and partners, IDP's and the GDS outcomes	Interventions as identified by research and partners, IDP's and the GDS outcomes	Interventions as identified by research and partners, IDP's and the GDS outcomes	Interventions as identified by research and partners, IDP's and the GDS outcomes

14.7 RECONCILIATION OF BUDGET WITH PLAN

Sub-programme	Year - 2 2001/02 (Actual)	Year - 1 2002/03 (Actual)	Base year 2003/04 (Estimate)	Average Annual change (%) ²	Year 1 2004/05 (Budget)	Year 2 2005/06 (MTEF projection)	Year 3 2006/07 (MTEF projection)	Average annual change (%)
<i>iKapa Elihlumayo</i>			45154		4425	3580	6791	
Total Programme			45154		47425	46580	49791	

PART B:

BUDGET PROGRAMME AND
SUB-PROGRAMME PLANS**15 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN**

New projects	2001/02 (actual)	2002/03 (actual)	2003/04 (estimate)	2004/05 (MTEF Projection)	2005/06 (MTEF Projection)	2006/07 (MTEF Projection)
Machinery and equipment	420	55	2225	405	362	999
Total	420	55	2225	405	362	999

16. MEDIUM TERM REVENUES**16.1 Summary of revenue**

The following sources of revenue are used for the Vote:

R' 000	2001/02 (actual)	2002/03 (actual)	2003/04 (estimate)	2004/05 MTEF	2005/06 MTEF	2006/07 MTEF
Voted by Legislature	52233	146 850	131100	118328	122492	128206
Conditional Grants						
Other (Specify)						
Total Revenue	52233	146 850	131100	118328	122492	128206

16.2 Departmental revenue collection

R' 000	2001/02 (actual)	2002/03 (actual)	2003/04 (estimate)	2004/05 MTEF	2005/06 MTEF	2006/07 MTEF
Current Revenue	3 771	3 700	3 650	3 680	3 710	3 710
Tax Revenue	3 299	3 388	3 400	3 420	3 440	3 440
Non-tax Revenue	472	312	250	260	270	270
Capital Revenue						
(specify)						
Departmental Revenue	3771	3700	3650	3680	3710	3710

16.3 Conditional Grants

N/A

16.4 Donor funding

N/A

17 CO-ORDINATION, CO-OPERATION AND OUTSOURCING PLANS**17.1 Interdepartmental Linkages**

As the lead department in the Economic Administrative cluster, the department has launched a number of initiatives to promote and develop co-operation between provincial departments like:

- Effective co-operation on development of three of the “six pillar strategies”.
- Joint planning of certain projects
- Maximising the use of external funding to achieve co-ordinated economic development at a local level.

In addition the department is establishing a number of ongoing bi-lateral talks with other departments, both inside and outside of the cluster, to institutionalise joint activities and lay the ground for joint planning and budgeting.

The following projects are jointly administered and executed and the operational costs provided for as indicated below:

Project details	Department	Vote Number	Vote 13 Programmes	Vote 13 Operational Cost R'000
Cape Craft and Design Institute	Cultural Affairs and Sport	Vote 14	Programme 2	250
Youth entrepreneurship	Education	Vote 5	Programme 2	100
Web based liquor licensing system	Premier, Director-General and Corporate Services	Vote 1	Programme 2	1 175
Responsible Alcohol	Health Social Services and Poverty Alleviation	Vote 6 Vote 7	Programme 2 Programme 2 Programme 2 Programme 2	275
Learning Cape Festival	Education	Vote 5	Programme 2	100
Cape Film Commission	Cultural Affairs and Sport	Vote 14	Programme 2	500

17.2 Local government linkages

The Liquor Policy for the Western Cape proposes that the Category A and B municipalities are to be appointed as points of lodging and collation of liquor licence applications. Provision is further made for the determination of liquor trading days and times by municipal by-law, subject to minimum norms and standards prescribed by regulation. Municipalities will be entitled to establish liquor forums to make recommendations to the Liquor Board. At present the rollout of the policy is unfounded.

In terms of sector development, the department approaches sector development in a wholly integrated fashion. The matrix has been jointly developed by a team from both the province and the City, and has lead agents from both departments. On many of the sectors, including Bio-technology, Film, Clothing, ICT, oil and gas and boat-building, there are representatives from both on the boards.

The export development programme has been rolled out into the non-metro areas, including the Southern Cape, the Winelands and the West Coast. The local municipalities have been involved in all these programmes.

The department will be supporting the Small Business Week with a contribution of R200 000, along with the City of Cape Town.

The Economic Development Units and the capacity building training for local authority officials at the districts municipal level, is on-line for 2004/5.

Linkages with all municipalities regarding their Integrated Development Plans and the economic development units:

Overberg

R100 000

18 PUBLIC ENTITIES

Name of Public Entity	Main purpose of public entity	Transfers from the departmental budget		
		VOTED 2004/05	MTEF 2005/06	MTEF 2006/07
WESGRO	Funding of operational costs and salaries in order to support investment marketing	6000	6000	6000
Destination Marketing Organisation	Funding of operational costs and salaries in order to support the marketing and promotion of tourism in the province	20032	22032	22032
Western Cape Liquor Board	Funding of operational costs and salaries in order to regulate liquor licences in the province (The Liquor board is attached to the Department, hence no transfer payment are made. The allocated liquor license budget is part of the Departmental budget.)			

19 PUBLIC, PRIVATE PARTNERSHIPS, OUTSOURCING, ETC.

N/A

20 FINANCIAL MANAGEMENT

20.1 Strategies to address audit queries

Matters of emphasis addressed by the Auditor-general were the following:

Verification of income from the issuing of liquor licenses:

It was recommended that the National Minister of Trade and Industry amend the regulations to allow the provincial governments to designate collection agencies, including their provincial offices to collect the revenue.

The provincial government is in the process of replacing the current national Liquor Act with provincial legislation that will result in the present collecting agent being replaced by local authorities. It is envisaged that the provincial legislation would be implemented in the 2004/05 financial year

Asset Management:

In terms of section 42 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), on re-organisation of functions of departments, an inventory of assets and liabilities should be drawn up by the transferring department and signed by both the accounting officer of the transferring and receiving departments. This prescribed inventory could, however, not be produced for audit purposes on the re-organisation of functions between the former Department Economic Development, Tourism and Agriculture and the newly established Department of Economic Affairs and Tourism. The inventory of assets and liabilities will however be finalised as soon as the Department of Transport and Public Works transfer the assets to the Department of Agriculture as required.

Fraud Prevention Plan:

During March 2002 a fraud prevention plan for the former Department of Economic Development, Tourism and Agriculture was developed. A "tailor made" Fraud Prevention Plan for the Department of Economic Development and Tourism was, however, not developed and approved by management of the department.

The Department of Transport and Public Works are currently rendering corporate functions to this department that includes a fraud prevention plan. Awareness of the interim plan was created amongst the department's staff. A fraud policy will be developed and circulated in the near future, since the Chief Financial Officer was appointed.

Implementation of PFMA

The Department regards compliance with the PFMA Act as a priority. The Department has a structured implementation plan and reports regularly to Provincial Treasury regarding progress made with the implementation of the Public Finance Management Act.

The Office of the Departmental Accountant has been restructured into two divisions namely Financial Management and Compliance. The Financial Management division will focus on balance sheet reporting and asset management. The Compliance division will focus on internal inspections, compliance, delegations, finance instructions and training.

DeptStratPlan