W Cape Provincial Cabinet Meets Business

Premier Ebrahim Rasool
29 August 2007
Structure of Presentation

1. Tracking the Conversation
2. Global Context: Emerging Markets
3. Emerging Economies & Africa
4. South Africa Growth Profile
5. Western Cape Development Trajectory
6. State of the Western Cape
7. ‘Business Unusual’
<table>
<thead>
<tr>
<th>Year</th>
<th>Business Meets Cabinet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-2004</td>
<td>Linear sector-based engagement</td>
</tr>
<tr>
<td>2005</td>
<td>Setting the Sail for Shared Growth</td>
</tr>
<tr>
<td>2006</td>
<td>iKapa Elihlumayo Road Map</td>
</tr>
<tr>
<td>2007</td>
<td>Consolidation of partnership for implementation</td>
</tr>
</tbody>
</table>
Emerging Economies & Africa

Massive commodity boom (oil, base metals, coal, iron-ore, precious metals etc) which are driving African average 5% GDP (2004-05)

1. W Cape optimally positioned as logistical and services Gateway to West African Trade Corridor

2. Expansion of key sectors:
   - Oil & Gas
   - Financial services
   - Ship building
   - Oil rig repair
SA Economic Prospects

ASGISA target of 6-8% growth by 2014:

- SA economy grew at 5% (2006) despite higher interest rates
- High levels of domestic & business confidence
- Capacity constraints underpinning fixed investment & infrastructure spending
- Stronger export growth as rand depreciates
- Current account deficit at 7% GDP – financed by capital account inflows – remains a key risk
- More balanced growth outlook robust at 4.5 to 5% (shift from consumer spending towards investment spending and stronger export drive)
### 2007 – 2010:

**SA Macroeconomic Outlook**

*Source: Bureau for Economic Research*

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</thead>
<tbody>
<tr>
<td><strong>Expenditure on GDP (real % change):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household consumption</td>
<td>5.1</td>
<td>7.3</td>
<td>4.8</td>
<td>4.3</td>
<td>4.5</td>
<td>4.9</td>
</tr>
<tr>
<td>Fixed investment</td>
<td>8.1</td>
<td>12.8</td>
<td>10.1</td>
<td>8.4</td>
<td>7.7</td>
<td>9.1</td>
</tr>
<tr>
<td>Gross domestic expenditure (GDE)</td>
<td>5.8</td>
<td>8.7</td>
<td>5.2</td>
<td>4.9</td>
<td>5.0</td>
<td>5.7</td>
</tr>
<tr>
<td>Exports</td>
<td>3.3</td>
<td>5.5</td>
<td>7.3</td>
<td>6.5</td>
<td>6.5</td>
<td>7.7</td>
</tr>
<tr>
<td><strong>Gross Domestic Product (GDP)</strong></td>
<td>4.1</td>
<td>5.0</td>
<td>4.8</td>
<td>5.0</td>
<td>4.9</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Inflation, interest &amp; exchange rates</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPIX inflation</td>
<td>5.9</td>
<td>4.6</td>
<td>6.0</td>
<td>5.6</td>
<td>5.2</td>
<td>5.5</td>
</tr>
<tr>
<td>PPI inflation</td>
<td>6.0</td>
<td>7.6</td>
<td>9.1</td>
<td>6.4</td>
<td>5.2</td>
<td>5.3</td>
</tr>
<tr>
<td>Prime overdraft rate</td>
<td>12.94</td>
<td>11.12</td>
<td>12.97</td>
<td>13.31</td>
<td>12.50</td>
<td>12.50</td>
</tr>
<tr>
<td>R/$ exchange rate</td>
<td>7.71</td>
<td>6.77</td>
<td>7.44</td>
<td>7.93</td>
<td>8.41</td>
<td>8.89</td>
</tr>
<tr>
<td>R/euro exchange rate</td>
<td>8.44</td>
<td>8.50</td>
<td>9.94</td>
<td>10.44</td>
<td>10.71</td>
<td>10.96</td>
</tr>
</tbody>
</table>
### SA Vital Statistics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average GDP (2000-06)</td>
<td>4.1%</td>
</tr>
<tr>
<td>Population below MLL – R3000 (1999)</td>
<td>52%</td>
</tr>
<tr>
<td>Population below MLL – R3000 (2006)</td>
<td>43%</td>
</tr>
<tr>
<td>Average real income growth (2004-07)</td>
<td>4% per annum</td>
</tr>
<tr>
<td>Job creation (2004–07)</td>
<td>+500,000</td>
</tr>
<tr>
<td>GDFI (Q1: 2002)</td>
<td>14.7% of GDP</td>
</tr>
<tr>
<td>GDFI (Q4: 2006)</td>
<td>19.2% of GDP</td>
</tr>
<tr>
<td>GDFI growth rate (Q4: 2006)</td>
<td>16% of GDP</td>
</tr>
</tbody>
</table>

*NOTE: GDFI = gross domestic fixed investment*
Key Sectors: National IPAP and MEDS*

‘Fast-tracking’:
- Capital/transport equipment and metals*
- Automotives and components
- Chemicals
- Plastics and pharmaceuticals
- Forestry, pulp and paper
- Furniture*

‘Turn-around’:
- Agriculture and agro-processing*
- Mining and mineral beneficiation
- Manufacturing*

‘Maintaining momentum’:
- Business process outsourcing*
- Call centres*
- Tourism*
- Biofuels*

‘Stabilising, capacity and employment retention’:
- Catering
- Clothing and textiles*
- Jewellery
- Film and craft*
Western Cape Development Trajectory
Western Cape Economic Prospects

- Economy growth: 6% (2004-05) to 5.5% in 2006
- Services industries drive the regional economy
- Strong expansion of construction sector at 15% (2006)
- Underperforming manufacturing sector (best suited to absorbing low to semi-skilled labor in oversupply)
- Sector decline linked to undersupply of skills, competitiveness, supply side constraints and high interest rates
## State of the Provincial Economy

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1%</td>
<td>Population growth rate (1995 - 2005)</td>
</tr>
<tr>
<td>5.4 million</td>
<td>Estimated population by 2014</td>
</tr>
<tr>
<td>26%</td>
<td>Broad unemployment</td>
</tr>
<tr>
<td>591,000</td>
<td>Number of unemployed (2005)</td>
</tr>
<tr>
<td>49%</td>
<td>Unemployed ages 15 – 24 (2004-05)</td>
</tr>
<tr>
<td>30%</td>
<td>Job created in informal economy (2004-05)</td>
</tr>
<tr>
<td>0.62</td>
<td>Gini co-efficient (national – 0.57)</td>
</tr>
<tr>
<td>23%</td>
<td>Illiteracy</td>
</tr>
<tr>
<td>5.5% per annum</td>
<td>Growth rate (higher than the national average)</td>
</tr>
<tr>
<td>1.6 million</td>
<td>No. foreign tourists (2006)</td>
</tr>
<tr>
<td>3 million</td>
<td>No. domestic tourists (2006)</td>
</tr>
</tbody>
</table>
## W Cape Macroeconomic Outlook

### 2007/08 – 2009/10:

<table>
<thead>
<tr>
<th></th>
<th>Ave 2000-2005</th>
<th>2005/06</th>
<th>2006/07e</th>
<th>MTEF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2007/08 F</td>
</tr>
<tr>
<td>GDPR (R billion):</td>
<td>-</td>
<td>232.7</td>
<td>260.3</td>
<td>288.5</td>
</tr>
<tr>
<td>Real GDPR % growth</td>
<td>4.7</td>
<td>5.7</td>
<td>5.4</td>
<td>5.1</td>
</tr>
<tr>
<td>GDPR by sector (real % change):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agric, forestry &amp; fishing</td>
<td>1.6</td>
<td>4.4</td>
<td>2.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>-0.5</td>
<td>0.9</td>
<td>0.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3.1</td>
<td>4.9</td>
<td>3.7</td>
<td>3.5</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>3.7</td>
<td>3.8</td>
<td>3.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Construction</td>
<td>8.0</td>
<td>13.1</td>
<td>15.2</td>
<td>13.8</td>
</tr>
<tr>
<td>Retail trade &amp; catering</td>
<td>6.0</td>
<td>6.6</td>
<td>7.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Transport &amp; Comms</td>
<td>6.4</td>
<td>6.3</td>
<td>5.6</td>
<td>6.3</td>
</tr>
<tr>
<td>Financial &amp; business services</td>
<td>6.6</td>
<td>5.9</td>
<td>5.6</td>
<td>5.7</td>
</tr>
<tr>
<td>CSP services</td>
<td>3.5</td>
<td>4.8</td>
<td>3.1</td>
<td>3.0</td>
</tr>
<tr>
<td>General government</td>
<td>1.0</td>
<td>3.0</td>
<td>3.3</td>
<td>2.9</td>
</tr>
</tbody>
</table>
Regional Sector Dynamics

1. Western Cape mainly an urban service economy (2005)
   - Financial & business services 29%
   - Trade, catering & accommodation 18%
   - Transport & communication 11%
   - Manufacturing (including agribusiness) 18%

2. Employment (highest in services sectors):
   - Financial & business services 18%
   - Trade, catering & accommodation 16%
   - Manufacturing 15%
   - CSP 12%
   - Agriculture, fishing & forestry 12%
Agricultural Sector

1. Climate change: disasters, water and energy supply limitations eroding sector contribution to provincial GDP
   - 13% decline in national GDP contribution
   - Decline from 4% contribution to GDP
   - Largest contribution export market: R7.4bn of W Cape exports (20.2%)
   - Opportunities for agri-business/tourism, value add and beneficiation

2. Loss of jobs/livelihoods & increased vulnerability of 220 000 farmworkers:
   - Employs 12.1% of W Cape labor force (2005)
   - 50% decline in employment (2000-05)
   - Employment decline of –2.7% per annum (2000–05)
   - Impact on approx. 1.5 million dependents especially women & children
Regional Employment Dynamics

- W Cape working age population grew by 343 000 i.e. at 2.3% a year (2000-05)
- Pressure to absorb growing numbers of additional work-seekers
- 12% per annum growth in discouraged work-seekers
- 54% employment rate with demographic variations
  - Africans improved to 49% (from 45%)
  - Coloureds declined to 54% and Whites declined to 61%

Having a matric, diploma/certificate or degree = greater employment success
Regional Unemployment Dynamics

- High broad unemployment at 25.5% vs. SA 39%
- Unemployment rates show stark labour market segmentation
- Concentration patterns show Province’s unemployed to be:
  - African (42%)
  - Coloured (52%),
  - Female (57%)
  - Youth (42%: 15-24 year age-group)
  - Youth (31% in 25-34 year age group)

- Challenge of long-term unemployment for individuals –
  - Relatively young labour force participants with low work experience
  - Rapid erosion of skills; implications for social & community dynamics
## Table 4: City and district GDPR contribution 2004

<table>
<thead>
<tr>
<th>Region</th>
<th>Share of WC GDPR (%)</th>
<th>Share of SA GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Karoo District Municipality</td>
<td>0.50</td>
<td>0.07</td>
</tr>
<tr>
<td>Overberg District Municipality</td>
<td>2.37</td>
<td>0.35</td>
</tr>
<tr>
<td>West Coast District Municipality</td>
<td>4.00</td>
<td>0.58</td>
</tr>
<tr>
<td>Eden District Municipality</td>
<td>6.15</td>
<td>0.90</td>
</tr>
<tr>
<td>Cape Winelands District Municipality</td>
<td>10.49</td>
<td>1.54</td>
</tr>
<tr>
<td>City of Cape Town</td>
<td>76.49</td>
<td>11.19</td>
</tr>
<tr>
<td>Western Cape</td>
<td>100.00</td>
<td>14.63</td>
</tr>
</tbody>
</table>
State of the Western Cape
Western Cape Context

- Coastal economy and national logistics hub & gateway (ports/airports)
- Positive Economic growth with increasing unemployment, increasing entry into the 2nd economy
- Increased rate of temporary migration for access to services & opportunities despite slowing migration
- Economy increasingly services sector orientated and declining primary sectors (agriculture, fishing etc).
- Skills mismatch – exacerbated by these shifts
- Marginalisation of blacks, youth and women – high levels of inequity
- Growth and development of priority sectors
  - BPO/Call Centers, Oil & Gas Services, (including Boat-Building and Ship Repair), Tourism, Agriculture, Fishing and Aquaculture, Creative Industries, ICT
- Growth in provision of specialist social services – health, education, etc
# Social & Service Delivery

**Health**
- 13 million patient contacts per annum
- 24,449 people on anti-retroviral treatment
- Lowest infant mortality rate (31/1000)
- Ratio of 67 doctors to 1000 patients

**Municipal**
- 90.7% access to free basic water
- 89% access to +weekly waste removal
- Eradication of bucket system by Dec 2007

**Education**
- Enrollment rates of 85% (7-9 yrs) 89% (10-12yrs)
- 39% learners exempt from school fees at 652 schools
- 65,000 children in Early Childhood Development

**Social Services**
- Total of 791,000 people currently receiving grants in WC
- Pensions for those who qualify - 97% (total of 172,000 grants
- 139,000 people with disabilities receive Grants
- Foster Care Grant recipients 28,000
- Care Dependancy Grant recipients 7,200
- Over last two-and-a-half years 455,000 children on CSG
## Challenges:

### Infrastructure Backlogs

<table>
<thead>
<tr>
<th></th>
<th>HOUSING</th>
<th>WATER &amp; SANITATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>409 827 units</td>
<td>R10.48bn</td>
</tr>
<tr>
<td></td>
<td>61.8% backyarders</td>
<td>R7.23bn bulk</td>
</tr>
<tr>
<td></td>
<td>38.1% informal housing</td>
<td>R3.24bn internal</td>
</tr>
<tr>
<td>Metro</td>
<td>300 100 (73%)</td>
<td>R6.4bn (61%)</td>
</tr>
<tr>
<td>Cape Wlnds</td>
<td>38 522 (9.3%)</td>
<td>R1.1bn (10.6%)</td>
</tr>
<tr>
<td>Eden</td>
<td>35 380 (8.6%)</td>
<td>R1.4bn (14.7%)</td>
</tr>
</tbody>
</table>

### Funding growth disjuncture:

Municipal Infrastructure Grant (4%) vs. housing subsidy (60%)
Challenges:

Crime and Social Cohesion

1. Poverty, opportunity and corporate crime ruin lives
2. Collective heritage results in gangs, drugs and substance abuse:
   - Youth unemployment (15 – 34 years) = 73%
   - Approx 1.5 million people residing in informal housing
   - 105 children murdered in 2006 (only 12 by strangers)
   - 57% murders committed within communities
   - 62% victims are female
   - Alcohol abuse involved in 46% of murders
   - 17% decline in crime (2006/07) vs. national target 7-10%
Challenges:

Governance Environment

**POLITICAL INSTABILITY IN LOCAL SPHERE**
- Characterized by spontaneous tactical coalition formation
- High rate of transition in municipal leadership
- +50% municipalities changed political leadership since Mar 06
- +30% municipalities changed administrative leadership (Section 57 appointments) since Jan 2007
- +77% municipalities are coalition governments

**POWERS & FUNCTIONS DEBATE**
- Schedules 4 & 5 of Constitution – differing interpretations of mandates
- Concurrency of Schedules 4 & 5 - unfunded mandates for LG
- Role of Prov Govt – agent of National or developmental strategic facilitator in own right
- Policy-driven (National/Provincial) vs. statutory obligation (LG)
- Compliance vs strategic
- Limited resource allocation to Districts – impact of RSC abolition
SCENARIO’S FOR THE FUTURE

- 50/50
- Going nowhere slowly
- Yizo-Yizo
- The Bold and the Beautiful
‘Business Unusual’
## 8 x Critical Transitions

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
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</thead>
<tbody>
<tr>
<td>Policy-making</td>
<td>Implementation</td>
</tr>
<tr>
<td>Strategy-making</td>
<td>Outcomes</td>
</tr>
<tr>
<td>Planning</td>
<td>Delivery</td>
</tr>
<tr>
<td>Constraints</td>
<td>Creativity &amp; Innovation</td>
</tr>
<tr>
<td>Perpetual restructuring</td>
<td>Government Stability</td>
</tr>
<tr>
<td>“Home 4 All” vision</td>
<td>“Home 4 All” realised</td>
</tr>
<tr>
<td>Caution and Reticence</td>
<td>Leadership</td>
</tr>
<tr>
<td>Autonomous Silos</td>
<td>Alignment and Synergy</td>
</tr>
<tr>
<td>Target</td>
<td>Description</td>
</tr>
<tr>
<td>--------</td>
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</tr>
<tr>
<td>8-10%</td>
<td>GDPR growth rate (2009 – 2014)</td>
</tr>
<tr>
<td>15%</td>
<td>Renewable energy generation</td>
</tr>
<tr>
<td>15%</td>
<td>Reduction in 2006 levels of carbon emission by 2010</td>
</tr>
<tr>
<td>50%</td>
<td>Reduction in waste generation and disposal</td>
</tr>
<tr>
<td>85%</td>
<td>Public procurement to SMMEs with +R35m turnover in key sectors (catering, clothing, advertising, media etc) by 2009</td>
</tr>
<tr>
<td>R5bn</td>
<td>Investment in priority sectors 2008</td>
</tr>
<tr>
<td>15,000</td>
<td>New SMMEs with comprehensive support &amp; supply side measures</td>
</tr>
<tr>
<td>-10%</td>
<td>Reduced unemployment rate (from current 26%)</td>
</tr>
<tr>
<td>0.55</td>
<td>Reduced gini-coefficient (from currently 0.616)</td>
</tr>
<tr>
<td>40,000</td>
<td>Households requiring electrification</td>
</tr>
<tr>
<td>50%</td>
<td>Public transport dependency rates</td>
</tr>
</tbody>
</table>
Developmental State

Maximising impact on citizens:

- Intersectoral, aligned and holistic delivery
- Integrated work platforms
- Stable management
- Sound financial management
- Task orientated structures
- Appropriate delivery machinery
- Intergovernmental relations
- Social partnerships esp. business, SOEs and faith-based orgs
- Participatory democracy
Implementation Instruments

- Provincial-Wide Monitoring & Evaluation System
- Integrated information management
- Economic intelligence (PERO)
- Provincial Project Office
- Focused provincial budgeting (MTEC) & strategic planning (Annual Performance Plans) process
- Focused Loc Gov budgeting (LG MTEC) process
- Focused Loc Gov strategic planning (Municipal IDP and District Growth & Development Strategy) process
- Public Transport Operating Entity business plan
- W Cape Economic Development Agency business plan
Departmental Budget Allocation 2006/07

- Local Govt & Housing: R1.19bn (6%)
- Environmental Affairs and Dev Planning: R181.4m (1%)
- Transport & Public Works: R2.2bn (11%)
- Social Development: R891.5m (4%)
- Health: R7bn (34%)
- Education: R7.68bn (37%)
- Agriculture: R290m (1.4%)
- Economic Development: R214m (1%)
- Cultural Affairs & Sport: R224m (1%)
- Community Safety: R184.12m (1%)
Budget Priorities Highlights

2007/08

• Ambulance services  R41m
• Public transport  R1.4bn
• Greenpoint stadium construction  R212m
• Agricultural training  R29.4m

2007 - 2010

• Building and road maintenance  R6.6bn
  public transport, social service/admin Infrastructure
• Skills development  R883.9m
• Early Childhood Development  R514m
## Provincial Budget 2004 - 2007

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social grant beneficiaries</td>
<td>+95% coverage</td>
</tr>
<tr>
<td>Procurement (2005-07)</td>
<td>70% HDI goods &amp; service providers</td>
</tr>
<tr>
<td></td>
<td>R1.5 billion (51%) out of R2.9 billion to BEE firms (55%)</td>
</tr>
<tr>
<td>Land reform (1994–2004)</td>
<td>85,000 ha to HDIs</td>
</tr>
<tr>
<td>Land reform (2006)</td>
<td>126,793 ha to HDIs</td>
</tr>
<tr>
<td></td>
<td>2,494 beneficiaries / 1,722 farmworkers</td>
</tr>
<tr>
<td>FDI recruitment</td>
<td>R3bn</td>
</tr>
<tr>
<td>Serviced sites (2006/07)</td>
<td>18,543 sites</td>
</tr>
<tr>
<td>Subsidy housing (2006/07)</td>
<td>16,042 units</td>
</tr>
<tr>
<td>Job Creation (2007)</td>
<td>99,000</td>
</tr>
</tbody>
</table>

- Human settlements
- Climate change
- Drugs, gangs and crime (15 Areas)
- Scarce skills
- World Cup 2010
- Public transport
- Property development
- Expanded Public Works Program
- A “Home 4 All”
- Governance
- 2ND Economy
## Infrastructure Expenditure

<table>
<thead>
<tr>
<th></th>
<th>2006/07</th>
<th>2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Main Budget 06/07</td>
<td>Actual as 30 June 2006</td>
</tr>
<tr>
<td>Agriculture</td>
<td>50,535</td>
<td>580</td>
</tr>
<tr>
<td>Education</td>
<td>279,476</td>
<td>42,189</td>
</tr>
<tr>
<td>Health</td>
<td>324,948</td>
<td>59,409</td>
</tr>
<tr>
<td>Transport &amp; PW</td>
<td>1,343,518</td>
<td>168,125</td>
</tr>
<tr>
<td>Total</td>
<td>1,998,477</td>
<td>270,303</td>
</tr>
</tbody>
</table>
Cape Flats Renewal +8bn

- V & A Upgrade R1.2bn
- Saldanha Man Ferrostaal
- CTN Station Upgrade R95m
- Port Upgrade R2.5bn
- N1
- Somerset Hospital
- Green Point Stadium
- Koeberg Interchange
- Ysterplaat
- Wingfield
- Conradie Hospital
- Athlone Stadium
- Oude Molen
- N2 Gateway R750m
- N2 Corridor R51m
- Koeberg Rd Bus lanes
- N7

Human Settlements +
- Bulk infrastructure (water, energy, sanitation, & waste)

- Central city Transport system R2bn
- CTICC R800m
- District 6
- Culemborg
- Youngsfield
- Hanover Park
- Muizenberg
- Nyanga
- Manenberg
- Mitchells Plain
- Gugulethu
- Bishop Lavis
- Khayelitsha Rail Extension R300m
- Phillipi Market R8.8
- Phillippi Stadium
- Khayelitsha
- Dreamworld Film Studio R247m
- Swartklip
- Heartlands
- Delft
- Amathuba
- Kleinvlei
- Philippi
- Delft
- Khayelitsha
### Social Transformation Programme: 21 Areas

**Social Justice - Social Cohesion – Social Capital**

<table>
<thead>
<tr>
<th>Area</th>
<th>Area</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitchell’s Plain*</td>
<td>Khayelitsha*</td>
<td>West Coast DM</td>
</tr>
<tr>
<td>Manenberg*</td>
<td>Hanover Park*</td>
<td>Theewaterskloof</td>
</tr>
<tr>
<td>Nyanga*</td>
<td>Elsies River*</td>
<td>Cederberg</td>
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<tr>
<td>Bishop Lavis*</td>
<td>Delft*</td>
<td>Kannaland</td>
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<td>Kleinvlei*</td>
<td>Gugulethu*</td>
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<td>Vredenberg*</td>
<td>Paarl*</td>
<td>Beaufort West</td>
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<td>Oudtshoorn*</td>
<td>City of Cape Town</td>
<td>Central Karoo DM</td>
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<tr>
<td>Witzenberg</td>
<td>Matzikama</td>
<td></td>
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</tbody>
</table>
15 Areas

**Rationale:**
- Housing shortages
- Service delivery backlogs
- Zones of poverty
- Prevalence of gangsterism
- Substance abuse
- Violent contact crime
- 109 vulnerable schools

**Inputs:**
- Organisational coherence – intermediary structures
- R1 billion police resource investment
- Rehabilitation
- Social cohesion

**Outcomes:**
- Reduced vulnerability in communities through reduction of contact crime and substance abuse
- Participatory democracy
- Infrastructure development
- Enhanced service delivery
- Citizenship and community leadership capacity building
- Increased access to institutions and resources that facilitate social action
15 Areas: SAPS (Q1 April – June 2007)

**Approach:**
- Pro-active policing through visible sector policing
- Intelligence gathering
- Operational actions and zero-tolerance approach
- Increased management and force-multiplier capacity

**Successes:**
- 2,096 arrests in terms of drug outlets
- 13% (ownership of outlets)
- 14% (related to dealing)
- 73% (related to possession)
- 56 outlets terminated
- 1,044 search and seizure operations conducted
- 5 x factory closure in Sea Point, Claremont, and Parow
- Drug high flyers arrested (23 out of 72 from 15 Areas)
- 9 couriers arrested
## 15 Areas: SAPS (Q1 April – June 2007)

<table>
<thead>
<tr>
<th>Drug Seizures</th>
<th>2006/07</th>
<th>Q1:2007</th>
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<tbody>
<tr>
<td>Tik</td>
<td>8 321.45g</td>
<td>3 442.8g</td>
</tr>
<tr>
<td>Heroin</td>
<td>403</td>
<td>305</td>
</tr>
<tr>
<td>Ecstacy</td>
<td>481</td>
<td>803</td>
</tr>
<tr>
<td>Cocaine</td>
<td>387</td>
<td>133</td>
</tr>
<tr>
<td>Dagga</td>
<td>3 534 bags</td>
<td>2 150 bags</td>
</tr>
<tr>
<td>Mandrax</td>
<td>2 650 tablets</td>
<td>484 tablets</td>
</tr>
</tbody>
</table>
**15 Areas: Progress Report Q1**

**Health:**
- 10 x Opiate detoxification beds at Stikland hospital
- 137 patients treated
- 193 calls received at Help Line
- 30 bed alcohol rehab unit, treated 105 patients
- 126 users treated Saartjie Baartman Substance Abuse centre

**Education:**
- Alarms extended to all classrooms of 55
- 50 schools fitted with improved access control measures
- Conflict management training in 37 schools
- Leadership development training in 50 schools
- Anti-bullying program in 22 schools
- 76 police reservists deployed
- 25 safety resource officer appointed
- 533 learners attended youth development camps
15 Areas: Progress Report Q1

Social Dev: 73 social worker posts earmarked for 15 Areas
21 posts earmarked for Khayelitsha (backlogs)
33 social auxiliary worker posts
6 fully-functional local drug action committees
1000 Siyabulela volunteers trained in aftercare and support for rehabilitated substance abusers
47 new Early Childhood Centers registered 5 Areas
Services to people with disabilities expanded to 11 Areas
The Way Forward (1)

1. Business and political champion per Area

2. Q1 target for business sponsorship \hspace{1cm} £4 million

3. Monthly corporate pledges incl:
   - Development for detoxification and rehabilitation centers
   - Student bursaries for primary, secondary and tertiary education
   - Match funding
   - Service delivery jamborees
   - Research & Development
   - Feasibilities for economic development opportunities
   - Victim empowerment rooms – Police Station
The Way Forward (2)

4. Data Management and Monitoring & Evaluation Centre
5. Establish Business-Government Working Group
6. Capacity-building of Intermediary Structures