

Vote 12

Department of Economic Development and Tourism

	2017/18 To be appropriated	2018/19	2019/20
MTEF allocations	R 427 345 000	R 432 429 000	R 448 362 000
Responsible MEC	Provincial Minister of Economic Opportunities		
Administering Department	Department of Economic Development and Tourism		
Accounting Officer	Head of Department, Economic Development and Tourism		

1. Overview

Vision

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

Mission

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

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

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

Main Services and Core functions

With the adoption of Strategic Goal 1: Create opportunities for growth and jobs and its subsequent Strategic directive, the primary focus for Vote 12: Economic Development and Tourism is squarely placed on delivering effectively on the provision of an enabling business environment which will allow for the private sector to grow the economy and create jobs.

Furthermore, there is a national drive and commitment to create jobs. This is demonstrated by the numerous incentives associated with National Government's approach to economic stimulation policies, where the emphasis has been placed on the creation of "real work opportunities".

In this context, this Department, has emphasised a strategic approach that will be grounded in the need to:

Create opportunities for growth;

Increase work opportunities for all citizens;

Creating an enabling environment for business and citizenry growth and development; and

Creating a competitive and productive economic Province.

Demands and changes in service

With the country and Province tracking the global trend of slow economic growth, lower employment absorption levels and subsequent low business confidence levels, the demands for state services and intervention has increased dramatically to ensure the sustainability of business. In this regard, the business community has identified the need for access to finance, red tape reduction, improving the skills of the labour market, energy and market access.

This need has therefore necessitated the Department to intervene in the economy in an effective, proactive manner and ensure that it is easier for business to conduct their core activity of driving economic growth with subsequent growth in employment.

In addressing the needs identified above, the Department is responding with proactive interventions that would address the systemic challenges faced in the economy. It has long been recognised by the Department that simply patching challenges merely leads to greater challenges in time. Therefore a clear focus is to build business confidence in the Provincial economy by focussing the limited resource envelope on the prioritised Khulisa sectors of Oil and Gas Supply Hub (Ship and Rig Repair), Agri-processing and Tourism; and the addressing challenges faced to the enablers across all sectors of the economy such as energy, skills and making it easier to do business.

Performance environment

The economic growth rate in the Western Cape Province is projected to remain well above the national average in 2016. The Western Cape is projected to grow by 0.5 per cent in 2016 in contrast to the national average of 0.4 per cent during the same period. Economic growth rates in the province, post 2011, have increasingly become constrained.

IHS projections shows that growth across districts remains subdued in 2016 with the City of Cape Town forecasted to grow at 0.6 per cent whilst the other five districts will contract by between 0.2 and 0.8 per cent.

Linked to the decline in growth is a general subdued business confidence. The Bureau for Economic Research (BER) indicates Western Cape business confidence remains higher than the national average; the province recorded 41 index points in March 2016, which was 4.2 index points above the national average of 35.8 per cent during the same period. The main sector driving business confidence in the Western Cape during the first quarter of 2016 was the wholesale sector, whose confidence increased from 55 to 66 index points, followed by the building business confidence, rising significantly in the first half of the year from 44 index points in December 2015 to 59 index points in June 2016. In the third quarter of 2016, the Western Cape Business Confidence was 48 index points which was 10 index points above the national average.

Employment data released by Statistics South Africa (StatsSA) showed that in 2015, the Province created 92 000 jobs. After losing employment during the second quarter of 2016, the Western Cape economy created 49 000 jobs in the third quarter of 2016.

Other key labour market indicators show that:

The Western Cape absorption rate was higher than the national average during the 3rd quarter of 2016.

The labour force participation rate of the Western Cape (67.4 per cent) was higher than the national average of 59.1 per cent during the 3rd quarter of 2016.

The Western Cape has the lowest expanded unemployment rate of 24.8 per cent during the 3rd quarter of 2016.

Noting the above, the Western Cape strategy for growth and employment is presented in both the Provincial Strategic Plan (PSP) and Provincial Strategic Goal 1 (PSG 1). Among the key highlights of the strategy to transit to higher growth and labour absorbing employment are: Project Khulisa (whose key targets are a sector driven strategy to employment – prioritising the Agri-processing, Tourism and Oil and Gas supply hub (with an emphasis on rig repair) sectors, a formidable skills development (skilling the labour force) and improving the ease of doing business.

Organisational environment

The Department's strategy has been developed within the context of the Provincial Strategic Plan (PSP) and in accordance with the objectives set in Provincial Strategic Goal 1 (PSG 1).

The Department under the direct leadership of the Minister of Economic Opportunities, expressed its commitment to and will continue in taking the lead role in driving the Western Cape Government's agenda for Provincial Strategic Goal 1 (PSG 1), namely to create opportunities for growth and jobs. PSG 1 will be delivered in collaboration with its sister departments such as Agriculture, Transport and Public Works and Environmental Affairs and Development Planning.

The Department of Economic Development and Tourism will enhance its strategic approach which is aimed at:

Growing, attracting and retaining the skills required by our economy;

Making it easier to do business by addressing red tape;

Investing in high quality, efficient and competitive infrastructure;

Rebranding the region to increase internal and external investment;

Opening new and supporting existing markets for Western Cape firms and key sectors wanting to export;

Ensuring our economic, social and environmental sustainability; and

Demonstrating leadership which promotes an improved regional economic eco-system (governance) and embraces innovation.

Given the broad and transversal nature of the aforementioned strategies and given the current fiscal framework and the setting of an upper limit for Compensation of Employees, the Department has taken a proactive approach to ensure that critical posts are filled in order for the Department to be better positioned to respond to the mandate of Provincial Strategic Goal 1 (PSG 1).

In order to ensure that the Department adheres to the budget requirements, a Committee dealing with the management of Compensation of Employees upper limits has been established to ensure that posts that are absolutely critical for service delivery, are filled. As the Departmental organisational structure is an intricate, interlinked system, several factors have to be considered when deciding which posts are deemed critical.

Acts, Rules and Regulations

There are a vast number of acts that play a role in the Department's work ambit, the more important acts and policies being:

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

Businesses Act, 1991 (Act 71 of 1991)

Consumer Protection Act, 2008 (Act 68 of 2008)

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

Co-operatives Management Act, 2013 (Act 6 of 2013)

Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

Municipal Systems Act, 2000 (Act 32 of 2000)

National Credit Act, 2005 (Act 34 of 2005)

National Small Business Act, 1996 (Act 102 of 1996)

Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)

Public Finance Management Act, 1999 (Act 1 of 1999)

Tourism Act, 2014, (Act 3 of 2014)

Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)

Western Cape Liquor Act, 2008 (Act 4 of 2008)

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

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

Advanced Manufacturing and Technological Strategy (AMTS)

ASGISA (Accelerated Shared Growth Initiative - South Africa)

National Integrated Manufacturing Strategy (NIMS)

National White Paper on the Development and Promotion of Tourism in South Africa, 1996

Provincial White Paper on Sustainable Tourism Development and Promotion, 2001

Tourism BEE Sector Charter, gazetted May 2009

The Western Cape Tourism Development Framework

The Western Cape Tourism Development Plan

Budget decisions

As noted previously, the resource envelope available to Government is dwindling as a result of slow economic growth thereby diminishing available revenue streams. In this regard, various austerity measures have been put in place. As a mitigation strategy, the Provincial Government has adopted the MITS Model. MITS is an abbreviation for Maintained, Innovation, Termination and Succession. In terms of the Maintained component, management considered programmes that are performing well and operating at its optimum levels given the resources at hand. Innovation involved the deliberate inclusion of mechanisms that would provide improved/greater results without the necessary additions in resources. Where projects or programmes were not be delivering the required results, management considered the termination option. Succession of projects occurred when projects or programmes delivered the required results and was ready for the next phase of implementation.

With this approach in mind, the Department followed a rigorous approach of evaluating the services it provides. During the first phase of prioritisation, the Department undertook an alignment exercise where all proposed projects were evaluated by a budget committee consisting of the Executive Authority, and Senior Management of the Department. During this phase, proposals were evaluated against their ability to meet stated outcomes as defined in the Provincial Strategic Plan, Project Khulisa and Game Changers identified for the Province.

The second phase of the approach examined how approved projects will be implemented and provide for the necessary value for money principles espoused by the Department. In this regard a clear mix of interventions was identified which would give effect to the prioritised areas of:

Ease of doing business;

Khulisa priorities of Agri-processing, Oil and Gas servicing industry and Tourism;

Apprenticeship Game Changer;

Energy Game Changer; and

The Provincial priorities of Broadband and Green Economy.

Aligning departmental budgets to achieve government's prescribed outcomes

In aligning the Departmental budget in achievement of the National outcomes as articulated in the MTSF 2014 – 2019. The following MTSF priorities have been highlighted:

Radical economic transformation, rapid economic growth and job creation.

Improving the quality of and expanding access to education and training.

Contributing to a better Africa and a better world.

Budgetary allocations and implementation of programmes such as Enterprise Development, RED Tape Reduction, Sector Development and Skills programmes gives effect to Outcome 4 of the MTSF of "decent employment through inclusive economic growth". The contribution of the Enterprise Development unit to Agri-processing will also contribute to Outcome 7 of the MTSF – "vibrant, equitable and sustainable rural communities with food security for all".

Flowing from the Provincial Strategic Plan, the Department has been tasked with leading Provincial Strategic Goal 1 (PSG 1): Create opportunities for growth and jobs. In giving articulation of PSG 1 Project Khulisa was initiated. The purpose of project Khulisa was to accurately identify sectors of the Western Cape economy with the greatest potential for accelerated and sustained growth and job creation.

In addition to economic growth, the potential for creation of large numbers of entry-level jobs and the impact on rural as well as urban areas were compensated in the selection criteria. In giving expression to significant unemployment amongst low skilled workers, low skilled employment creation was suitably weighted in the development of the selection model.

In articulating the imperatives of the Province, the following was prioritised:

Tourism

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

Project Khulisa Tourism is a transversal approach that provides delivery of the 13 tourism initiatives across the programmes in the Department. Direct tourism destination marketing implementation will be done by Wesgro (legislative mandate) as well as the private sector and other spheres of government. This transversal approach will ensure that the following regional outcomes are met for the tourism sector as a whole.

Project Khulisa further identified three strategic intents that have focused and prioritised activities and outputs for delivery between 2015 and 2020. These activities and outputs contribute to the outcomes of increased GVA and direct jobs for the tourism industry. The three strategic intents are:

- Boost awareness of the Western Cape in key markets and sectors to drive conversion.

- Improve accessibility to Cape Town and the regions.

- Boost the attractiveness of the region through competitive product offerings and compelling packaging.

Agri-processing

Project Khulisa identified three strategic intents that have focused and prioritised activities and outputs for delivery by 2020. These activities and outputs contribute to the outcomes of increased GVA and direct jobs for the Agri-processing sector. The three strategic intents are:

- Grow the Western Cape's share of the global Halaal market from <1 per cent to 2 per cent by 2025.

- Double the value of wine and brandy exports to China and Angola by 2025.

- Increase local capacity to process agricultural goods for the domestic and international market.

Oil & Gas

Project Khulisa identified two strategic intents that have focused and prioritised activities and outputs for delivery by 2020. These activities and outputs contribute to the outcomes of increased GVA and direct jobs for the Oil and Gas sector. The strategic intents is to develop suitable infrastructure by developing the port infrastructure and service industrial facilities to transform Saldanha Bay into a free port and rig repair hub.

2. Review of the current financial year (2016/17)

As it is the fundamental belief of this Department that economic growth is at the heart of all successful development and that growth is driven primarily by the private sector operating in a market environment, the role of the state should therefore be to create and maintain an enabling environment for business and provide demand led private sector driven support for tradable or propulsive sectors, industries and business.

As noted in previous strategic documents, the Department, during the 2016/17 financial year, focussed on seven (7) priority areas namely Ease of doing business; Investment Promotion; the rollout of interventions in the three Project Khulisa priority sectors of Oil and Gas, Agri-processing and Tourism; the Green Economy; Skills development; Broadband and Energy.

Ease of doing business

Red Tape Reduction (RTR) is a critical strategy in the process of making it easier to conduct business in the Province. In this regard, a focus on reducing red tape experienced by businesses in municipalities has resulted in support provided in 12 municipalities across all 4 districts of the Province since 2014. Over this past year specifically, 7 municipalities have been assisted with plans to optimise their business processes that underpin business-facing services like, building plan approvals, zoning, access to land, informal trading permit application approvals, tourism road signage and procurement etc. Coupled to these, standard operating procedures have been developed that can be replicated and used in other municipalities. A modest target of 20 municipal-specific business processes was set, and achieved, in an effort to reduce administrative and compliance burdens by creating process efficiencies.

The Business helpline service continued reacting to, and removing, some quite severe regulatory and process-related blockages reported by businesses and investors, bringing about substantial savings in costs and inconvenience, or facilitating investment growth and investment, moving the WCG closing to its PSP 2014 - 2019 target of R1 billion in such savings and benefits. A costing tool to measure these is being developed. Regulatory Impact Assessments (RIA) has been adopted as a compulsory requirement for all significant new legislation and policy – a major step in ensuring appropriate, well-considered legislative and policy interventions, with the least risk of unintended consequences. Business process Improvement (BPI) projects with sister departments and national departments are either underway or being planned.

There is a need to provide integrated, sustained support through interventions to reduce alcohol-related harms. Under PSG 3 this translates to intervention through effective and efficient government partnerships at both community level and policy level, to bring about change. In partnership with the VPUU, SAPS, Western Cape Liquor Authority (WCLA) and municipalities, the WCG initiated roll-out of the Alcohol Harms Reduction (AHR) Game Changer Project in Paarl East, Khayelitsha, Gugulethu and Nyanga in 2016. The AHR GC focuses on 3 levers: reduction in the number of liquor outlets, creating alternative opportunities, awareness and availability of treatment and this Department has been assigned responsibility to deliver on the proposition of "Pathways to alternative economic opportunities" - for illegal outlets owners.

The WCG is mindful of the high number of alcohol retail outlets in the Province, both legal and illegal. While the idea is to grow the licensed base, the ultimate imperative is to reduce the total number of alcohol businesses. Government cannot provide alternative business, but it can offer local knowledge of alternative, feasible market activity as well as business support that would strengthen the capacity of outlet owners to pursue other means to earn a living. In 2016, the Department developed delivery plans to facilitate access for participating outlet owners to alternative economic activities. It initiated implementation with the development of area-based environmental scans done that maps outlet owners per AHR target area and generation of business ideas for engagement on alternative business prospects.

The long term impact sought of these interventions is that previously illegal liquor outlet owners that have access to alternative economic opportunities and a supportive local business environment join the ranks of new businesses that emerge to stimulate local economic activity. Over the long term this can contribute growth and jobs.

Investment promotion

In terms of Investment promotion, together with our partner, Wesgro, the Department has had a very successful year thus far. We changed our method of measuring success of our trade promotion activities and we have performed well against our new targets. We have carried out successful missions into the rest of the continent, Europe, Asia and South America, most of which have resulted in declarations meaning that our clients see value in our service to them. Investment Promotion has once again applied itself admirably to the tasks set at the beginning of the year and we are on track to achieving the set targets. To date we have managed to secure 8 projects valued at R1.9 billion, resulting in approximately 630 jobs.

Project Khulisa interventions

In terms of **Agri-processing**, the pre-feasibility study (Phase 1) of the Halaal Industrial Park (HIP) was concluded and Phase 2 of this project will follow during the coming financial year. Investor prospectuses is in the process of being developed which would include three separate prospectuses for each of the recommended sites identified for the development of the HIP and a general prospectus for the Halaal industry. In terms of Halaal Export promotion activities a number of companies were taken to strategic markets such as India, Indonesia, Thailand, Singapore, Malaysia, etc. in order to increase Halaal exports from the Western Cape. Further to this, progress has also been made in the development of a Global Best Practice Halaal Certification for companies.

In terms of the Wine Export Promotion to Angola and China, the Department worked with Wesgro and Wines of South Africa (WOSA) to implement this project. Four in-store wine tastings were conducted in Angola. A major South African wine retailer attributed a positive increase in SA wine sales in the Angolan market to these in-store promotion activities. In terms of accessing the Chinese wine market, various black owned wine brands were invited to participate in the Wine Expo in China to enable these brands to gather market intelligence and showcase their products.

Furthermore, a Supplier Development programme aimed at enhancing the capacity of Small and Medium Enterprise owners and their respective businesses to address market opportunity identification, compliance requirements and improve efficiencies in order to scale enterprises and position them for growth. The programme focuses on increasing and improving entrepreneurial facets of agri-processors, which includes the following:

- The identification of business constraints;

- The development of action plans or turnaround strategies for implementation through specialised and focussed business support interventions; and

- Providing mentorship and coaching to assist and support the entrepreneur or business owner(s).

In terms of the **Oil and Gas Supply Servicing Industry interventions**, the development of a portal for buyers and suppliers to improve matchmaking opportunities is well underway. The intention is to launch the portal in June 2017, thereby assisting with the implementation of enterprise development support to SMMEs. The portal will provide a single access point that allows SMMEs to access available economic opportunities and to profile themselves to corporates, parastatals and Saldanha Bay Industrial Development Zone (SBIDZ). The procurement portal will comprise of the following:

The information and status of the SMMEs (suppliers) listed on a database together with the requirements of buyers (corporates, parastatals, SBIDZ);

Match the needs of these buyers and the suppliers;

The data will form a foundation that will be employed to identify the development needs of the SMMEs; and

Utilise this information to develop a Supplier Development Programme to address the requirements of local SMMEs.

The Ease of Doing Business unit is working closely with strategic stakeholders to address red tape issues such immigration, imports, taxation and abnormal load permits. In addition, a Business Process Improvement intervention within the Saldanha Bay Municipality was initiated which is to develop improvement plans to speed up various processes for approvals aligned to the Heads of Agreement commitments identified for the IDZ projects.

A Skills Development Framework is in the process of being finalised. This will be done in conjunction with the Apprenticeship Game Changer.

In terms progress on the Saldanha IDZ, the infrastructure build has progressed well. Thus far, the construction of the internal bulk services, the waste water treatment works and the supply hub in the Port has been completed. The link bridge to Port and the water reservoir are under construction and the port land development is in design phase.

Negotiations with more than 30 potential investors are underway, 18 of which are in the investor pipeline. Additionally, 2016/17 has seen the finalisation of IDC land sale to the province and a historic partnership agreement was entered into between the local municipality and the LICO.

In terms of **Khulisa Tourism initiatives**, the Growth and Development of the Tourism industry took a leap forward with the Journey to Service Excellence Programme being implemented in Clanwilliam together with both tourism and non-tourism businesses. The ultimate goal is to improve service levels in the area.

An agreement with the City of Cape Town was reached with regard to the implementation of the Madiba Legacy Project which includes a Mandela Statue on the balcony of the City Hall and development of a Mandela exhibition inside the City Hall.

The Cycle route from Plettenberg Bay to Cape Town has been mapped. An audit of cycle friendly accommodation in the Garden Route has been completed. The cycle events calendar has been finalised and is available on the Wesgro website under events.

Tourism Destination Marketing saw 9 activities being identified for implementation during the 2016/17 financial year. The Department, together with its implementing partner, Wesgro, is in the process of finalising the value proposition. This will then allow the Department to complete all the marketing tool kits that are required for the 2017/18 financial year that will assist with the promotion of our niche tourism experiences.

Green Economy

Through the Western Cape Industrial Symbiosis Programme, 1 700 tonnes of waste has been diverted from landfill and utilised by industry in place of virgin materials – the economic benefits to the regional economy is approximately R3 for every one Rand spent. In addition, the Department's investigations into interventions in the waste economy has indicated a clear need to bolster the informal waste collection and waste recycling industry – interventions will be fully developed and implemented in 2017/18. The Department has supported, through GreenCape, the piloting of a World Bank project aimed at improving access to finance for small- scale green technology companies. Market intelligence reports in the energy, waste and water sectors, coupled with effective investor support across the green economy has earned the region an UNCTAD Investment Promotion Partnership award, and the funding provided for investment support in the green economy has attracted more than R600 million in investment in alternative waste treatment facilities as well as green technology manufacturing. GreenCape, together with the Water Research Council (WRC) developed a tool for the Saldanha Bay Municipality to assist in prioritising water requests from industry. The tool provides a simple means to understand the relative value that an industrial development brings in comparison to the water it requires.

Skills development

During the 2016/17 the Apprenticeship Game Changer developed and finalised a roadmap that includes a detailed delivery plan with clear targets established until 2019.

Lever 1 aims to ensure a significant increase in the number of quality learners who are attracted to technical and vocational careers and are of a quality to address employer needs. The Career Awareness outcome resulted in the training of 112 life-orientation teachers and TVET College staff to provide them with the knowledge to market the value of apprenticeships to potential learners. The Maths Support programme has been initiated with WCED to increase the pool of maths learners with 50 per cent or more.

Lever 2 deals with improving the quantity and quality of workplace supply. During this financial year the Apprenticeship Game Changer team, working with National Government and Employer Associations, has developed Recognition-of-Prior-Learning (RPL) toolkits for Welding, Motor-Mechanics and Diesel Mechanics. This project will provide 30 experienced employees with the necessary support towards becoming qualified artisans.

A transversal focus of the Apprenticeship Game Changer is ensuring that the relevant data is available to inform decisions and assist with planning. Currently, there is a plethora of data which is held in different structures. A success has been securing key learner data from schools, TVET Colleges and SETAs centrally to assist with understanding the supply and demand statistics to inform practice and also provide a baseline for measuring impact.

Broadband

The bulk of the funding related to the broadband funding has been allocated to the Public Access Wi-Fi hotspots and Citizen Internet Champion Projects. The Department is responsible for ensuring that at minimum one public access hotspot is available in every ward in the Western Cape. The roll-out is over a 3-year period with the first 50 hotspots launched during 2015/16. The current financial year will see another 100 hotspots delivered of which 80 sites have already been activated to date. During 2017/18, the remaining 234 hotspots will be deployed. Thus far, over 64 000 people have accessed the internet via this government-funded Wi-Fi hotspot programme.

In parallel to the Wi-Fi hotspot project is the Citizen Internet Champion Project, which will see the 2 internet champions sourced and training from local communities deployed to hotspots for a period of 3 months.

These Citizen Internet champions provide citizens with mobile literacy training. To date, 271 753 citizens have completed the mobile literacy course to date.

The ICAN Proof of Concept in Elsie's River has provided 1 386 people with free digital literacy training, with courses offered in Microsoft Office , Project Management, e-Commerce , Web and Multimedia Design, and Gaming & APP Development. 1 299 persons are registered as members of the centre. The new model has shown to provide the most value-for-money and the lessons learnt from the Proof-of-Concept have been included in the revised ICAN network rollout.

The final component of the funding has been allocated to the Big Data project. During 2016/17, the Department completed the business and financial modelling and the economic impact assessment. In January 2017, DEDAT submitted to the Department of Science and Technology for their consideration the business proposal for the co-location of the SKA science processing facilities in the Western Cape Province.

Energy

13 municipalities in the Province now have the legal framework in place for small-scale embedded generation (SSEG) and 9 have Nersa-approved SSEG tariffs. With this enabling environment in place, SSEG has begun to take off across the Province. There is now approximately 8 017 installations of registered installed rooftop Photo Voltaic (PV) in the Western Cape, amounting to approximately 20 Mw (there may be more unregistered). Departmental funding has enabled the Province to lead the development of the National NRS 049 (Smart Meter Standard) – this meter standard, which was published in October 2016, will significantly reduce the price of smart meters in the future.

The Western Cape Government is taking the lead with initiatives to reduce energy consumption in provincial facilities – in particular, the Department of Health has installed smart meters in hospitals across the province to track consumption and has introduced interventions in key hospitals to reduce consumption and electricity bills. The first solar PV panels have also been installed at 9 Dorp Street and Athlone Shared Service Centre (SSC), with installations at 27 Wale Street, 1 Dorp Street, 4 Leeuwen Street and 68 Orange Street targeted for completion by early February 2017.

3. Outlook for the coming financial year (2017/18)

During the coming financial year, the Department has prioritised the following interventions:

- Ease of Doing Business

- Khulisa initiatives with a focus on Agri-processing, Oil and Gas Servicing sectors (with a focus on Ship and rig repair) and Tourism

- Investment promotion

- The Apprenticeship Game Changer

- Energy Game Changer, and

- The provincial strategic priorities of Broadband and the green economy

In terms of the **Ease of Doing Business** priority, the Department will be maintaining its projects related to providing access to finance for SMME's within the Khulisa priority sectors, its Red Tape reduction projects, procurement promotion and supplier development programmes in the Oil and Gas and Agri-processing sectors. Furthermore, Business Process Improvements conducted on municipal services to business will also be maintained.

Funding for the Premier's Entrepreneurship Recognition Awards (PERA) will be scaled back as the Department will actively draw on partners in the private sector to provide the necessary bridging funds required.

With regard to the **Khulisa** priority sectors, the Department will be maintaining and expanding upon its Halaal export promotion and Industrial park projects. In this regard, resources will be provided to the development of a best practice Halaal certification standard as well as export promotion of Halaal products and wine and brandy to Angola and China.

In terms of interventions in the Tourism sector, the Department will focus interventions to the development of direct air access routes from key visitor markets as well as strengthen service excellence interventions and the development of the Madiba Legacy tourism route. Furthermore, the Department will also focus on niche markets specifically the UCI cycling event and other destination marketing activities.

Within the Oil and Gas sector, interventions will be directed to the operationalisation of the Saldanha IDZ and the West Coast Industrial Plan as well as the development of Supplier Development Portal.

Wesgro will provide the impetus in terms of the **Investment promotion** activities. In this regard, emphasis will be placed on the Khulisa priority Sectors with inbound and outward trade missions being conducted. Wesgro will also be ramping up its economic data and economic intelligence capacity.

The **Apprenticeship Game Changer** is seen as a lever that would dramatically and positively change the trajectory of the Western Cape Economy. In this regard much emphasis will be placed on Career Awareness and the development of Artisanal Skills. Further emphasis will also be placed on the development of ICT programming skills and the development of an e-skills portal. In terms of entry level skills, the Department will also be allocating a significant resource envelope to the development of work readiness and work placement for entry level labour seekers in the form of internships.

Within the **Energy Game Changer**, a clear focus will be on the Liquefied Natural Gas (LNG) importation project and the development of a Waste Economy Business Case with a clear focus on the informal economy.

In the **Green Economy** arena, the Department will prioritise the Smart Grids project which focusses on the installation of rooftop PV solar panels as an alternative energy source.

The **Broadband (Stream 2)** will see the further roll-out of the public access Wi-Fi hotspots, digital skills and support to SMMEs.

4. Reprioritisation

The Western Cape Government (WCG) recognises that our role is to create a conducive environment for businesses so that the economy may grow and create jobs. However, this cannot be provided within a limitless resource envelope. In this regard, the financial resources needed to be prioritised within the context of dwindling resources and fiscal consolidation resulting from slow economic growth.

In creating an economic enabling environment, the Department will embark on a 7 point action plan toward building resilient, inclusive and competitive Western Cape. These 7 strategic interventions can be summarised as follows:

- Provide Economic Growth Leadership;
- Reduce the cost and improve the ease of doing business;
- Establish and promote an innovative and competitive business environment;
- Develop key skills programmes to match the demand for appropriate skills;
- Invest in key economic catalytic infrastructure;
- Within the tourism industry, promote the global profile of Cape Town and the Western Cape; and
- Promote trade and investment.

5. Procurement

The Department will focus all its intentions on the realisation of activities detailed in PSG 1 and will continue to build on the platform laid over the last year to accelerate programmes and projects such as:

- Successful roll-out of Broadband for the Economy and other key economic catalytic infrastructure projects;
- Effective skills development within artisan development and business optimisation;
- Projects implemented within the Green Economy, including delivery on energy security; and
- Strong support for the growth and expansion of strategic sectors.

Many of these key strategic areas, i.e. Broadband, requires specialised skills in order for it to be realised and thus necessitates the Department to source these skills from the private sector. During the budget process, the Department placed much emphasis on the demand management aspect within all Funding Proposals (Project Plans) in order to ensure that each individual project undertakes the most appropriate procurement strategy.

An additional measure that was introduced to ensure that the procurement plan of the Department is efficiently implemented is the introduction of the critical path document. The critical path is designed to assist project managers by mapping out the entire procurement process, from inception, to implementation, all the way through to finalisation. Through the critical path, project managers will be prompted as to when each stage in the procurement process should start, in order to meet key deadlines.

6. Receipts and financing

Table 6.1 hereunder gives the sources of funding for the vote.

Table 6.1 Summary of receipts

Receipts R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate				
	Audited	Audited	Audited				% Change from Revised estimate				
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20	
Treasury funding											
Equitable share	333 028	427 570	336 079	367 425	366 675	365 931	408 866	11.73	432 114	448 029	
Financing		32 026	45 134	119 060	206 307	206 307	18 181	(91.19)			
Asset Finance Reserve			15 000	65 000	65 000	65 000		(100.00)			
Provincial Revenue Fund		32 026	30 134	54 060	141 307	141 307	18 181	(87.13)			
Total Treasury funding	333 028	459 596	381 213	486 485	572 982	572 238	427 047	(25.37)	432 114	448 029	
Departmental receipts											
Sales of goods and services other than capital assets	389	436	428	284	284	348	298	(14.37)	315	333	
Interest, dividends and rent on land	14	3	42								
Sales of capital assets						21		(100.00)			
Financial transactions in assets and liabilities	2 851	9 871	12 191			659		(100.00)			
Total departmental receipts	3 254	10 310	12 661	284	284	1 028	298	(71.01)	315	333	
Total receipts	336 282	469 906	393 874	486 769	573 266	573 266	427 345	(25.45)	432 429	448 362	

Summary of receipts:

Total receipts decreases by R145.921 million or 25.45 per cent from R573.266 million in the 2016/17 revised estimate to R427.345 million in 2017/18.

Treasury funding:

Equitable share funding increases by R42.935 million or 11.73 per cent from R365.931 million in the 2016/17 revised estimate to R408.866 million in 2017/18.

Departmental receipts:

Included in the Department's total allocation for 2017/18 is the projected Departmental receipts of R298 000 as a result of estimates for Sales of goods and services other than capital assets in respect of the registration of Tourist Guides.

Donor funding (excluded from vote appropriation)

None.

7. Payment summary

Key assumptions

The key cost drivers of the wage agreement over the 2017 MTEF have been revised. The inflation projections, cost of living adjustments, housing allowance and medical allowance increases to be applied are as follows:

Salary adjustment:

2017/18: 9.1 per cent

2018/19: 8.9 per cent

2019/20: 8.8 per cent

National priorities

The national priorities have been incorporated into the provincial priorities.

Provincial priorities

Strategic Goal 1: Create opportunities for growth and jobs.

Strategic Goal 3: Increase wellness, safety and tackle social ills.

Programme summary

Table 7.1 below shows the budget or estimated expenditure per programme and Table 7.2 per economic classification (in summary).

Table 7.1 Summary of payments and estimates

Programme R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
1. Administration	33 249	35 529	40 330	49 919	52 314	52 314	61 046	16.69	67 458	69 874
2. Integrated Economic Development Services	50 007	59 269	53 802	40 938	39 810	39 810	37 173	(6.62)	38 770	41 370
3. Trade and Sector Development	69 465	71 248	57 663	59 586	59 272	59 272	51 434	(13.22)	48 784	51 226
4. Business Regulation and Governance	10 384	10 021	10 868	11 311	10 911	10 911	11 919	9.24	12 837	13 771
5. Economic Planning	89 465	205 725	138 785	215 185	298 347	298 347	146 031	(51.05)	143 356	143 728
6. Tourism Arts and Entertainment	47 554	45 099	39 882	46 588	49 810	49 810	56 506	13.44	58 137	61 373
7. Skills Development and Innovation	36 158	43 015	52 544	63 242	62 802	62 802	63 236	0.69	63 087	67 020
Total payments and estimates	336 282	469 906	393 874	486 769	573 266	573 266	427 345	(25.45)	432 429	448 362

Note: Programme 1: MEC salary provided for in Vote 11: Department of Agriculture.

Earmarked allocation:

Aggregate compensation of employees upper limit: R125.655 million (2017/18) and R127.100 million (2018/19) and R136.559 million (2019/20).

Summary by economic classification

Table 7.2 Summary of payments and estimates by economic classification

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
Current payments	169 474	193 513	210 110	255 575	229 926	229 888	243 185	5.78	250 710	264 708
Compensation of employees	90 630	95 483	98 052	115 580	108 525	108 525	125 655	15.78	127 100	136 559
Goods and services	78 844	98 030	112 058	139 995	121 401	121 363	117 530	(3.16)	123 610	128 149
Transfers and subsidies to	162 544	272 808	177 948	230 393	339 853	339 869	179 613	(47.15)	176 979	178 522
Provinces and municipalities	5 150	500								
Departmental agencies and accounts	62 129	76 827	86 459	95 835	204 452	204 454	123 004	(39.84)	122 410	120 658
Higher education institutions	800	4 610								
Public corporations and private enterprises	6 976	5 587	2 831		5 418	5 418	3 750	(30.79)	3 780	3 780
Non-profit institutions	85 588	175 840	75 693	107 300	116 366	116 366	33 241	(71.43)	29 182	31 087
Households	1 901	9 444	12 965	27 258	13 617	13 631	19 618	43.92	21 607	22 997
Payments for capital assets	4 228	3 497	5 692	801	3 354	3 360	4 547	35.33	4 740	5 132
Machinery and equipment	4 167	3 450	5 426	801	3 338	3 338	4 435	32.86	4 630	5 019
Software and other intangible assets	61	47	266		16	22	112	409.09	110	113
Payments for financial assets	36	88	124		133	149		(100.00)		
Total economic classification	336 282	469 906	393 874	486 769	573 266	573 266	427 345	(25.45)	432 429	448 362

Infrastructure payments

None.

Departmental Public Private Partnership (PPP) projects

None.

Transfers

Transfers to public entities

Table 7.3 Summary of departmental transfers to public entities

Public entities R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
Casdra SOC	5 500	5 000			3 000	3 000		(100.00)		
Western Cape Tourism, Trade and Investment Promotion Agency	55 928	46 735	57 500	66 010	74 227	74 227	75 096	1.17	79 527	83 719
Saldanha Bay IDZ Licencing (SOC) Ltd		28 091	28 958	29 824	130 224	130 224	47 906	(63.21)	42 882	36 938
Total departmental transfers to public entities	61 428	79 826	86 458	95 834	207 451	207 451	123 002	(40.71)	122 409	120 657

Transfers to other entities

Table 7.4 Summary of departmental transfers to other entities

Entities R'000	Outcome			Medium-term estimate						
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2016/17	2018/19	2019/20
Cape Craft Design Institute	10 695	15 500	6 500	5 875	9 375	9 375	375	(96.00)		
Western Cape Furniture Initiative	200									
South African Oil and Gas Alliance	11 000	14 712	7 000	4 900	4 900	4 900	2 100	(57.14)		
Cape Information and Technology Initiative	9 712	3 900	3 615	3 500	4 091	4 091	4 400	7.55	4 130	4 361
Bpesa	4 500	4 500	3 000	1 050	1 050	1 050	450	(57.14)		
Cape Clothing and Textile Cluster	2 500	2 500	1 500	571	571	571	300	(47.46)		
Western Cape Tooling Initiative	1 630	1 000	2 200	700	1 700	1 700	300	(82.35)		
Clotex	3 000	3 300	1 000	700	700	700	300	(57.14)		
Cape Town Fashion Council	2 500	2 622	1 500	1 050	1 050	1 050	450	(57.14)		
Broadband Foundation		1 000								
South African Honeybush Tea Association	500									
Learning Cape Initiative	500									
University of Cape Town		1 000								
Northlink College	311									
Cape Peninsula University of Technology		2 760								
Western Cape Aquaculture Development Initiative	2 550	2 337								
Cape Town Partnership	800									
Business Place	550	1 500								
West Coast Business Development Centre	550	1 500								
Convenco		81 790	15 000	65 000	65 000	65 000		(100.00)		
Western Cape Fine Food Initiative	1 500	1 117	3 000	2 100	2 100	2 100	900	(57.14)		
Western Cape Economic Development Partnership	10 541	8 896	7 000	9 654	9 654	9 654	10 136	4.99	10 724	11 325
GreenCape	9 450	14 080	16 480	10 400	14 025	14 025	13 530	(3.53)	14 328	15 401
National Empowerment Fund	6 600	9 000	6 448							
Digital Village	2 000	200								
Project Isizwe	2 000	200								
Home of Compassion	2 000	200								
The Business Bridge		2 776								
University of Stellenbosch		150								
University of Western Cape		700								
Genesis IT Initiative		3 210	750		750	750		(100.00)		
Other	6 201	2 000								
Cape Digital Foundation			700	1 800	1 400	1 400		(100.00)		
Total departmental transfers to other entities	91 790	182 450	75 693	107 300	116 366	116 366	33 241	(71.43)	29 182	31 087

Transfers to local government

Table 7.5 Summary of departmental transfers to local government by category

Departmental transfers R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Category A	2 350	500								
Category B	2 800									
Total departmental transfers to local government	5 150	500								

8. Programme Description

Programme 1: Administration

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

Analysis per sub-programme

Sub-programme 1.1: Office of the Head of Department

to manage and direct the Departmental transversal administrative programmes that give leadership to the Department

to effectively maintain an oversight function of the whole Department's mandate and function

Sub-programme 1.2: Financial Management

to provide an effective financial management function

to ensure implementation of the PFMA and other related financial regulations and policies

to provide planning and budgeting support to the Department

to make limited provision for maintenance and accommodation needs

Sub-programme 1.3: Corporate Services

to provide a strategic support function to the Department

to ensure the rendering of ICT, human capital, corporate assurance, legal and communication support services to the Department

to render communication services to the Department

to monitor and evaluate Departmental performance

to develop and manage knowledge and information systems, records and co-ordinate ICT

Policy developments

The Department supports both, Provincial Strategic Goal 1 (PSG 1): Create opportunities for growth and jobs and PSG5: Embed good governance and integrated service delivery through partnerships and spatial alignment.

Programme 1 however, in its unique position as the support structure, must endeavour to integrate its processes into the two goals in a manner that allows for equal support and implementation of both PSGs. In other words, the aim is to achieve service delivery through financial governance.

At the forefront of sound financial governance is value for money and the stewardship for this principle, although vested with each public servant, rest with Financial Management as the last guardian that must enable an environment that strictly disallows wastage and advocates prudent and efficient spending.

Changes: Policy structures, service establishments, etc.

The Programme structure and service establishment remained static from the previous financial year.

Expenditure trends analysis

The budgeted allocation for the Programme has increased from R52.314 million (revised estimate) in 2016/17 to R61.046 million in the 2017/18 financial year, thus an increase of R8.732 million or 16.69 per cent. The increase is mainly as a result of the filling of priority vacant posts within the Programme that will impact on service delivery.

Strategic goal as per Strategic Plan

Programme 1: Administration

Create opportunities for growth and jobs.

Strategic objectives as per Annual Performance Plan

To achieve and maintain the highest level of financial governance.

To adequately inform and empower stakeholders of the Department by providing access and connectivity to Departmental activities through communication activities which are aligned to Western Cape Government Communication strategic imperatives.

Outcomes-based monitoring, evaluation and measurement of the Department's implementation of strategies, programmes and projects to determine the effectiveness and impact of economic development policies and priorities.

To strengthen institutional governance for improved service delivery.

Table 8.1 Summary of payments and estimates – Programme 1: Administration

Sub-programme R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
1. Office of the HOD	2 405	2 221	5 423	9 245	7 845	7 845	7 297	(6.99)	7 935	8 320
2. Financial Management	23 288	24 714	24 847	27 504	27 064	27 064	32 639	20.60	34 991	37 518
3. Corporate Services	7 556	8 594	10 060	13 170	17 405	17 405	21 110	21.29	24 532	24 036
Total payments and estimates	33 249	35 529	40 330	49 919	52 314	52 314	61 046	16.69	67 458	69 874

Earmarked allocation:

Included in Sub-programme 1.1: Office of the HOD is an earmarked allocation amounting to R1 800 000 (2017/18), R2 772 000 (2018/19) and R2 910 000 (2019/20) for the cost of appointment of two Deputy Directors-General (salary level 15).

Table 8.1.1 Summary of payments and estimates by economic classification – Programme 1: Administration

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Current payments	30 388	32 713	36 666	49 707	50 207	50 197	57 633	14.81	63 900	65 996
Compensation of employees	17 542	18 836	22 264	35 773	34 003	34 003	39 031	14.79	41 976	45 066
Goods and services	12 846	13 877	14 402	13 934	16 204	16 194	18 602	14.87	21 924	20 930
Transfers and subsidies to	22	41	16	1	33	35	2	(94.29)	1	1
Departmental agencies and accounts		1	1	1	1	3	2	(33.33)	1	1
Households	22	40	15		32	32		(100.00)		
Payments for capital assets	2 825	2 755	3 648	211	2 026	2 024	3 411	68.53	3 557	3 877
Machinery and equipment	2 825	2 754	3 488	211	2 012	2 011	3 311	64.64	3 457	3 776
Software and other intangible assets		1	160		14	13	100	669.23	100	101
Payments for financial assets	14	20			48	58		(100.00)		
Total economic classification	33 249	35 529	40 330	49 919	52 314	52 314	61 046	16.69	67 458	69 874

Details of transfers and subsidies

Economic classification R'000	Outcome			Main appro- piation	Adjusted appro- piation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2016/17	2016/17	2016/17	2017/18
Transfers and subsidies to (Current)	22	41	16	1	33	35	2	(94.29)	1	1
Provinces										
Departmental agencies and accounts		1	1	1	1	3	2	(33.33)	1	1
Departmental agencies (non-business entities)		1	1	1	1	3	2	(33.33)	1	1
Other		1	1	1	1	3	2	(33.33)	1	1
Households	22	40	15		32	32		(100.00)		
Social benefits	22	40	15		32	32		(100.00)		

Programme 2: Integrated Economic Development Services

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

Analysis per sub-programme**Sub-programme 2.1: Enterprise Development**

to support and promote development of business enterprises

Sub-programme 2.2: Regional and Local Economic Development

to promote economic growth and development of regional and local economies in partnership with key stakeholders by aligning LED initiatives with Government

Sub-programme 2.3: Economic Empowerment

to facilitate the process of empowerment and creation of an enabling business environment for PDIs

Sub-programme 2.4: Red Tape

to reduce the identified regulatory requirements flowing from regulations legislation and interpretive policies

Sub-programme 2.5: Management: Integrated Economic Development Services

to conduct the overall management and administrative support to the Programme

Policy developments

The public discourse on economic policy is overwhelmingly focused on fiscal measures (e.g. spend on infrastructure), monetary interventions, welfare programmes and other highly visible instruments of government action. Thus, when an economy performs poorly, a disproportionate amount of our debate centres around whether or not it needs a fiscal stimulus, whether there should be a liquidity easing or tightening or whether its welfare programmes have been too proliferate or too paltry. What gets much less attention but is equally and, in some situations, even more important for the success or failure of an economy are the nuts and bolts that hold the economy together and the plumbing that underlies it.

The laws and processes that determine how easily a business can be started and closed, the efficiency with which government (across all spheres) responds to development and growth initiatives of the private sector, the efficiency of the rules of government administration, etc., are all examples of the nuts and bolts that are rarely visible. Their malfunctioning can thwart the progress of an economy and render the government's economic policy instruments less effective.

To foster a vibrant private sector with firms making investments, creating jobs and improving productivity and hence promoting growth and expanding opportunities, governments around the world have implemented wide-ranging reforms, including price liberalisation and macroeconomic stabilisation programmes. However, governments committed to the economic health of their country and opportunities for its citizens focus on more than macroeconomic conditions. They also pay attention to the quality of laws, regulations and institutional arrangements that shape daily economic activity, as these have a direct effect on the business environment and climate within an economy. Accordingly, improving the business environment or climate has in recent years become an important topic in the international discourse on private sector development.

The key public policy objective is to manage the regulatory environment to keep regulatory costs to a minimum, without reducing the regulatory benefits. It is significant to note that the OECD countries and selected Western economies consider the regulatory environment the single most important element of an economic growth strategy. It remains high on the economic agenda of these economies.

Against this backdrop, the Western Cape Government (WCG) acknowledged that there is an urgent need to enhance and promote a more favourable business climate within the Western Cape. Making it easier to do business is a key driver for the achievement of a business environment that promotes inward investment, enables businesses to be established and expanded, and enhances a culture of entrepreneurship. Ease of doing business (EDB) has therefore been identified as a critical enabler for not only PSG 1 programmes and projects, but also for other relevant programmes in the other PSGs.

Changes: Policy structures, service establishments, etc.

The Programme structure and service establishment remained static from the previous financial year.

Expenditure trends analysis

The budgeted allocation for the Programme has decreased from R39.810 million (revised estimate) in the 2016/17, to R37.173 million in 2017/18, thus a decrease of R2.637 million or 6.62 per cent. This decrease can be attributed to the Programme placing a lower reliance on consultants and conducting a larger share of projects in-house.

Strategic goal as per Strategic Plan

Create opportunities for growth and jobs.

Strategic objectives as per Annual Performance Plan

To increase the sustainability and growth of SMMEs.

To improve local business environments by improving municipal business-facing services that will contribute towards a cost saving or benefit (to government and business) of R1 billion by 2019 in the regional economy.

To improve local business environments by improving provincial and/or national business-facing services that will contribute towards a cost saving or benefit (to government and business) of R1 billion by 2019 in the regional economy.

Table 8.2 Summary of payments and estimates – Programme 2: Integrated Economic Development Services

Sub-programme R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
1. Enterprise Development	31 828	38 200	32 728	18 079	21 432	21 432	19 249	(10.19)	20 523	21 899
2. Regional and Local Economic Development	7 988	8 138	5 583	6 813	6 043	6 043	8 024	32.78	8 555	9 111
3. Economic Empowerment	3 697	4 032	1 019							
4. Red Tape	4 682	6 893	11 431	16 046	12 335	12 335	9 900	(19.74)	9 692	10 360
5. Management: Integrated Economic Development Services	1 812	2 006	3 041							
Total payments and estimates	50 007	59 269	53 802	40 938	39 810	39 810	37 173	(6.62)	38 770	41 370

Table 8.2.1 Summary of payments and estimates by economic classification – Programme 2: Integrated Economic Development Services

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Current payments	30 182	32 415	39 701	35 903	29 182	29 182	31 567	8.17	33 120	35 707
Compensation of employees	17 322	19 153	16 793	17 533	16 613	16 613	19 324	16.32	20 829	22 424
Goods and services	12 860	13 262	22 908	18 370	12 569	12 569	12 243	(2.59)	12 291	13 283
Transfers and subsidies to	19 495	26 621	13 232	4 875	10 348	10 348	5 376	(48.05)	5 406	5 406
Departmental agencies and accounts	5 000	2 000	1 900	2 500	2 900	2 900	951	(67.21)	951	951
Higher education institutions	250	2 150								
Public corporations and private enterprises	5 850	5 577	2 831		5 418	5 404	3 750	(30.61)	3 780	3 780
Non-profit institutions	7 900	16 276	6 448							
Households	495	618	2 053	2 375	2 030	2 044	675	(66.98)	675	675
Payments for capital assets	311	220	869	160	266	266	230	(13.53)	244	257
Machinery and equipment	311	215	802	160	266	266	225	(15.41)	241	254
Software and other intangible assets		5	67				5		3	3
Payments for financial assets	19	13			14	14		(100.00)		
Total economic classification	50 007	59 269	53 802	40 938	39 810	39 810	37 173	(6.62)	38 770	41 370

Details of transfers and subsidies

Economic classification R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Transfers and subsidies to (Current)	19 495	26 621	13 232	4 875	10 348	10 348	5 376	(48.05)	5 406	5 406
Departmental agencies and accounts	5 000	2 000	1 900	2 500	2 900	2 900	951	(67.21)	951	951
Departmental agencies (non-business entities)	5 000	2 000	1 900	2 500	2 900	2 900	951	(67.21)	951	951
Western Cape Tourism, Trade and Investment Promotion Agency			1 900	2 500	2 500	2 500		(100.00)		
Saldanha Bay IDZ Licencing					400	400	951	137.75	951	951
Other	5 000	2 000								
Higher education institutions	250	2 150								
Public corporations and private enterprises	5 850	5 577	2 831		5 418	5 404	3 750	(30.61)	3 780	3 780
Public corporations	5 850	5 577			3 000	3 000		(100.00)		
Other transfers to public corporations	5 850	5 577			3 000	3 000		(100.00)		
Private enterprises			2 831		2 418	2 404	3 750	55.99	3 780	3 780
Other transfers to private enterprises			2 831		2 418	2 404	3 750	55.99	3 780	3 780
Non-profit institutions	7 900	16 276	6 448							
Households	495	618	2 053	2 375	2 030	2 044	675	(66.98)	675	675
Social benefits		28	2 053							
Other transfers to households	495	590		2 375	2 030	2 044	675	(66.98)	675	675

Programme 3: Trade and Sector Development

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

Analysis per sub-programme**Sub-programme 3.1: Trade and Investment Promotion**

to facilitate trade, export promotion and attract investment

Sub-programme 3.2: Sector Development

to implement strategies for the positioning of the industrial sector as a key contributor to economic growth and development

Sub-programme 3.4: Management: Trade and Sector Development

to conduct the overall management and administrative support to the programme

Policy developments

The Provincial Strategic Plan (PSP) sees the attraction of local and international investment, and improved market access for Western Cape firms and sectors as key strategic priorities. This has gained more focus through Project Khulisa, which will see more emphasis given to the priority sectors of oil and gas, tourism and Agri-processing.

The oil and gas sector has the potential to treble in value from R2 billion to R6 billion per annum over the next 5 years. According to the data assembled by Project Khulisa, it has the potential to create an additional 60 000 jobs by 2020. For the oil and gas sector, key delivery will take place by developing suitable infrastructure (Saldanha IDZ) and co-developing and coordinating skills development across the sector.

Agri-processing currently contributes R12 billion in Gross Value Add (GVA) and accounts for 79 000 formal jobs. Under a high growth scenario, the sector's GVA contribution could increase by 12.6 per cent, to R26 billion by 2019, and it could add a further 100 000 formal jobs by 2019. For the Agri-processing sector, key delivery will take place by growing the Western Cape's share of the global Halaal market, doubling the value of wine and brandy exports to China and Angola, and increasing local capacity to process agricultural goods for the domestic and international market.

Changes: Policy structures, service establishments, etc.

The Programme structure and service establishment remained static from the previous financial year.

Expenditure trends analysis

The allocated budget for the Programme has decreased from R59.272 million (revised estimate) in 2016/17 financial year to R51.434 million in the 2017/18 financial year. This represents a decrease of 13.22 per cent or R7.838 million. This decrease is primarily due to the Programme reducing its allocations to sector bodies as the final year of support due to funds being reallocated towards Khulisa priorities.

Strategic goal as per Strategic Plan

Create opportunities for growth and jobs.

Strategic objectives as per Annual Performance Plan

To provide resources to the trade and investment promotion public entity to enable it to deliver on its legislative and strategic mandate for trade and investment promotion.

To provide strategic leadership and the necessary resources to deliver on the key initiatives needed to grow the Oil and Gas sector.

To provide strategic leadership and the necessary resources to deliver on the key initiatives needed to grow the Agri-processing sector.

To provide support to sector bodies that will allow for leveraging of funds to develop and support the respective sectors.

Table 8.3 Summary of payments and estimates – Programme 3: Trade and Sector Development

Sub-programme R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate				
	Audited	Audited	Audited				% Change from Revised estimate		2017/18	2018/19	2019/20
	2013/14	2014/15	2015/16				2016/17	2016/17	2017/18	2018/19	2019/20
1. Trade and Investment Promotion	21 481	19 235	23 000	25 000	28 417	28 417	30 420	7.05	32 215	33 889	
2. Sector Development	46 405	51 061	32 915	34 586	30 855	30 855	21 014	(31.89)	16 569	17 337	
4. Management: Trade and Sector Development	1 579	952	1 748								
Total payments and estimates	69 465	71 248	57 663	59 586	59 272	59 272	51 434	(13.22)	48 784	51 226	

Note: The Programme structure has been amended as the entire Sub-programme 3.3: Strategic Initiative unit will now be housed within Programme 5.

Earmarked allocation:

Included in Sub-programme 3.1: Trade and Investment promotion is an earmarked allocation amounting to R21 918 000 (2017/18), R23 189 000 (2018/19) and R24 487 000 (2019/20) for the purpose of supporting Wesgro.

Included in Sub-programme 3.1: Trade and Investment promotion is an earmarked allocation amounting to R2 000 000 (2017/18), R2 118 000 (2018/19) and R2 107 000 (2019/20) for the purpose of supporting Wesgro's additional operational requirement for investment promotion.

Table 8.3.1 Summary of payments and estimates by economic classification – Programme 3: Trade and Sector Development

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Current payments	13 122	17 003	11 502	21 590	17 811	17 811	15 153	(14.92)	16 382	17 148
Compensation of employees	11 470	11 848	10 815	10 883	10 563	10 563	9 489	(10.17)	10 241	11 009
Goods and services	1 652	5 155	687	10 707	7 248	7 248	5 664	(21.85)	6 141	6 139
Transfers and subsidies to	56 225	54 169	46 069	37 996	41 413	41 413	36 095	(12.84)	32 215	33 889
Departmental agencies and accounts	21 481	19 235	23 000	25 000	28 417	28 417	30 420	7.05	32 215	33 889
Higher education institutions		1 000								
Public corporations and private enterprises	500	10								
Non-profit institutions	34 244	33 922	23 000	12 996	12 996	12 996	5 675	(56.33)		
Households		2	69							
Payments for capital assets	118	73	85		26	26	186	615.38	187	189
Machinery and equipment	118	67	81		26	26	186	615.38	187	189
Software and other intangible assets		6	4							
Payments for financial assets		3	7		22	22		(100.00)		
Total economic classification	69 465	71 248	57 663	59 586	59 272	59 272	51 434	(13.22)	48 784	51 226

Details of transfers and subsidies

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Transfers and subsidies to (Current)	55 725	54 169	46 069	37 996	41 413	41 413	36 095	(12.84)	32 215	33 889
Departmental agencies and accounts	21 481	19 235	23 000	25 000	28 417	28 417	30 420	7.05	32 215	33 889
Departmental agencies (non-business entities)	21 481	19 235	23 000	25 000	28 417	28 417	30 420	7.05	32 215	33 889
Western Cape Tourism, Trade and Investment Promotion Agency	21 481	19 235	23 000	25 000	28 417	28 417	30 420	7.05	32 215	33 889
Higher education institutions		1 000								
Public corporations and private enterprises		10								
Public corporations		10								
Other transfers to public corporations		10								
Private enterprises	500									
Other transfers to private enterprises	500									
Non-profit institutions	34 244	33 922	23 000	12 996	12 996	12 996	5 675	(56.33)		
Households		2	69							
Social benefits			69							
Other transfers to households		2								

Programme 4: Business Regulation and Governance

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

Analysis per sub-programme

Sub-programme 4.1: Consumer Protection

to develop, implement and promote measures that ensure the rights and interests of all consumers

Policy developments

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

Changes: Policy structures, service establishments, etc.

The Programme structure and service establishment remained static from the previous financial year.

Expenditure trends analysis

The budgetary allocation of the Programme increased from R10.911 million (revised estimate) in 2016/17 to R11.919 million in 2017/18. The increase translates to R1.008 million or 9.24 per cent.

Strategic goal as per Strategic Plan

Programme 4: Business Regulation and Governance

Create opportunities for growth and jobs.

Strategic objectives as per Annual Performance Plan

To provide an effective and efficient consumer protection service within the province which is aligned to the objectives and functions as prescribed by provincial and national consumer protection legislation.

Table 8.4 Summary of payments and estimates – Programme 4: Business Regulation and Governance

Sub-programme R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
1. Consumer Protection	10 384	10 021	10 868	11 311	10 911	10 911	11 919	9.24	12 837	13 771
Total payments and estimates	10 384	10 021	10 868	11 311	10 911	10 911	11 919	9.24	12 837	13 771

Note: The sub-programme structure deviates from the approved structure as no allocation is made to 4.1: Governance, 4.2: Regulation Services due to capacity constraints and thus these functions are absorbed by other sub-programmes.

The Sub-programme 4.2: Liquor Regulation which housed the Western Cape Liquor Authority has shifted to Vote 4: Department of Community Safety (effected in terms of the Premiers Proclamation dated 10 February 2016).

Table 8.4.1 Summary of payments and estimates by economic classification – Programme 4: Business Regulation and Governance

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Current payments	10 294	9 966	10 765	11 221	10 779	10 773	11 834	9.85	12 740	13 667
Compensation of employees	7 413	7 590	8 159	8 511	8 111	8 111	8 389	3.43	9 099	9 823
Goods and services	2 881	2 376	2 606	2 710	2 668	2 662	3 445	29.41	3 641	3 844
Transfers and subsidies to Households	3									
Payments for capital assets	87	40	103	90	90	90	85	(5.56)	97	104
Machinery and equipment	87	40	98	90	90	82	80	(2.44)	90	95
Software and other intangible assets			5			8	5	(37.50)	7	9
Payments for financial assets		15			42	48		(100.00)		
Total economic classification	10 384	10 021	10 868	11 311	10 911	10 911	11 919	9.24	12 837	13 771

Details of transfers and subsidies

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Transfers and subsidies to (Current)	3									
Households	3									
Social benefits	3									

Programme 5: Economic Planning

Purpose: The purpose of this programme is to provide support to the leadership of the Department – the Minister, the Head of Department and the Departmental Top Management – in undertaking planning processes that provide a coherent vision and strategic outcomes around which policies and strategies are developed, enhanced or applied to attain their intended objectives.

Analysis per sub-programme

Sub-programme 5.1: Economic Policy and Planning

to develop provincial economic policies and strategies

Sub-programme 5.2: Research and Development

to conduct economic research

Sub-programme 5.3: Knowledge Management

to contribute to the creation of a knowledge economy

Sub-programme 5.4: Monitoring and Evaluation

to determine the effectiveness and impact of provincial policy objectives and strategies

Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives

to develop and/or stimulate an enabling economic environment through catalytic interventions

Sub-programme 5.6: Broadband for the Economy

to support and stimulate the usage, readiness and accessibility of broadband in the region

Sub-programme 5.7: Green Economy

to stimulate the development of green industries and facilitate resource-efficiency and sustainability to improve the competitiveness of the economy

Policy developments

The global economy is characterised by rapid change and innovation, technological advances, rapid improvements to production and service systems, and severe challenges to the resource-intensive sustainability and climate change threats. As such, four dominant international trends have been emerged as critical in impacting on growth, namely economic infrastructure, broadband, resource sustainability and climate stimulating change, and design and innovation. For the Western Cape Economy to compete, it requires a responsive economic environment which facilitates opportunities, shapes direction and overcomes challenges.

The aim of this Programme is therefore to overcome critical inhibitors to economic growth, capitalise on economic opportunities which arise due to market forces or technological advances and to stimulate investment into the Province. In addition to providing a coordinating platform and evidence-based support for strategic planning, the Programme therefore comprises of a suite of economic growth enablers/drivers that support the growth of the Western Cape economy. This suite of strategic growth enablers and drivers are clustered under additional sub-programmes within Programme 5, namely (1) Enabling Growth Infrastructure and Initiatives, (2) Broadband and (4) Green Economy and Energy.

The themes underpinning these sub-programmes have emerged as key components of South Africa's National policies, the Provincial Strategic Goal 1 and 5, OneCape 2040, the Western Cape Government Provincial Strategic Plan 2014 – 2019, and find specific expression in the Provincial Strategic Goal One's game-changers and strategic priorities.

Changes: Policy structures, service establishments, etc.

The Programme structure and service establishment remained static from the previous financial year.

Expenditure trends analysis

The Programme's budget has decreased by 51.05 per cent or R152.316 million in the 2017/18 financial year from the 2016/17 revised budget of R298.347 million to a main budget of R146.031 million in the 2017/18 financial year. The primary reason for this decrease is due to the fact that the Programme received an additional allocation of R100 million during the 2016/17 adjustment estimate process for the land sale agreement between the Industrial Development Corporation (IDC) and the Saldanha Bay Industrial Development Zone Licensing Company (SBIDZ LiCo). This was a once-off allocation only applicable to the 2016/17 financial year.

Strategic goal as per Strategic Plan

Create opportunities for growth and jobs.

Strategic objectives as per Annual Performance Plan

To provide economic strategy and policy leadership in the Province.

To conduct and facilitate economic research to support policy and strategy development within the framework.

To strengthen the sharing of knowledge amongst stakeholders.

Grow and develop the provincial economy through the development of catalytic interventions and economic drivers.

Grow and develop the provincial economy through the support of broadband usage, infrastructure and readiness by businesses and citizens to stimulate the broadband uptake in order to improve competitiveness.

To facilitate green economy opportunities that enhances the competitiveness of the region and stimulates business growth and investment.

Table 8.5 Summary of payments and estimates – Programme 5: Economic Planning

Sub-programme R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
1. Economic Policy and Planning	14 159	21 377	4 518	3 291	3 372	3 372	4 176	23.84	4 167	4 407
2. Research and Development	5 775	4 840	6 693	7 869	8 152	8 152	6 692	(17.91)	7 170	7 675
3. Knowledge Management	12 841	11 401	12 010	9 654	9 654	9 654	10 136	4.99	10 724	11 325
4. Monitoring and Evaluation	1 915	3 396	1 776	1	1	1	1		1	1
5. Enabling Growth Infrastructure and Initiatives	22 136	129 340	65 319	114 520	214 292	214 292	64 298	(70.00)	59 788	54 887
6. Broadband for the Economy	32 143	35 116	28 314	54 161	41 191	41 191	32 529	(21.03)	34 824	36 909
7. Green Economy	496	255	20 155	25 689	21 685	21 685	28 199	30.04	26 682	28 524
Total payments and estimates	89 465	205 725	138 785	215 185	298 347	298 347	146 031	(51.05)	143 356	143 728

Note: The activities for Sub-programme 5.4: Monitoring and Evaluation will be incorporated into Sub-programme 5.2: Research and Development. The activities and budgetary allocation for the Economic Development partnership will be incorporated into Sub-programme 5.3: Knowledge Management for 2016/17.

The activities and budgetary allocations previously housed within Sub-programme 3.3: Strategic Initiatives will be incorporated into Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives, Sub-programme 5.6: Broadband for the Economy and Sub-programme 5.7: Green Economy.

Earmarked allocation:

Included in Sub-programme 5.3: Knowledge Management is an earmarked allocation amounting to R10 136 000 (2017/18), R10 724 000 (2018/19) and R11 325 000 (2019/20) for the operational cost of the Western Cape Economic Development Partnership (WCEDP).

Included in Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives is an earmarked allocation amounting to R31 315 000 (2017/18), R33 132 000 (2018/19) and R34 987 000 (2019/20) for the purpose of supporting the Saldanha Industrial Development Zone (IDZ) project's operational costs.

Included in Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives is an earmarked allocation amounting to R15 640 000 (2017/18), R8 800 000 (2018/19) and R1 000 000 (2019/20) for the purpose of supporting the Saldanha Industrial Development Zone (IDZ) additional operational requirements.

Included in Sub-programme 5.6: Broadband for the Economy is an earmarked allocation amounting to R25 000 000 (2017/18), R26 450 000 (2018/19) and R27 931 000 (2019/20) for the purpose of implementing Broadband Stream 2 projects.

Included in Sub-programme 5.7: Green Economy is an earmarked allocation amounting to R7 680 000 (2017/18), R8 133 000 (2018/19) and R8 859 000 (2019/20) for the purpose of supporting the establishment of the Atlantis Special Economic Zone (SEZ).

Included in Sub-programme 5.7: Green Economy is an earmarked allocation amounting to R4 332 000 (2017/18) in support of the Energy Game Changer, of which R2 500 000 is earmarked for personnel expenditure.

Table 8.5.1 Summary of payments and estimates by economic classification – Programme 5: Economic Planning

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Current payments	47 484	59 601	60 564	89 411	64 835	64 835	72 981	12.56	73 832	78 328
Compensation of employees	16 997	16 987	20 683	22 916	19 711	19 711	26 085	32.34	24 789	26 543
Goods and services	30 487	42 614	39 881	66 495	45 124	45 124	46 896	3.93	49 043	51 785
Transfers and subsidies to	41 447	145 894	77 727	125 513	232 988	232 988	72 621	(68.83)	69 101	64 950
Provinces and municipalities	5 150	500								
Departmental agencies and accounts	7 735	31 091	33 258	33 159	133 159	133 159	48 955	(63.24)	44 049	38 224
Higher education institutions	550									
Non-profit institutions	27 961	114 271	44 430	92 354	99 829	99 829	23 666	(76.29)	25 052	26 726
Households	51	32	39							
Payments for capital assets	531	211	377	261	524	524	429	(18.13)	423	450
Machinery and equipment	470	179	353	261	524	524	427	(18.51)	423	450
Software and other intangible assets	61	32	24				2			
Payments for financial assets	3	19	117							
Total economic classification	89 465	205 725	138 785	215 185	298 347	298 347	146 031	(51.05)	143 356	143 728

Details of transfers and subsidies

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Transfers and subsidies to (Current)	41 447	145 894	77 727	125 513	232 988	232 988	72 621	(68.83)	69 101	64 950
Provinces and municipalities	5 150	500								
Municipalities	5 150	500								
Municipal bank accounts	2 800									
Municipal agencies and funds	2 350	500								
Departmental agencies and accounts	7 735	31 091	33 258	33 159	133 159	133 159	48 955	(63.24)	44 049	38 224
Departmental agencies (non-business entities)	7 735	31 091	33 258	33 159	133 159	133 159	48 955	(63.24)	44 049	38 224
Western Cape Tourism, Trade and Investment Promotion Agency	6 534	3 000	4 300	3 335	3 335	3 335	2 000	(40.03)	2 118	2 237
Saldanha Bay IDZ Licencing		28 091	28 958	29 824	129 824	129 824	46 955	(63.83)	41 931	35 987
Other	1 201									
Higher education institutions	550									
Non-profit institutions	27 961	114 271	44 430	92 354	99 829	99 829	23 666	(76.29)	25 052	26 726
Households	51	32	39							
Social benefits	51	32	39							

Programme 6: Tourism, Arts and Entertainment

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

Analysis per sub-programme

Sub-programme 6.1: Tourism Planning

to develop and coordinate the strategic agenda

Sub-programme 6.2: Tourism Growth and Development

to facilitate growth and development of the tourism industry

to enhance to the quality of the visitor experience to the destination through the provision of quality tourism support services

Sub-programme 6.3: Tourism Sector Transformation

to provide for the registration and regulation of tourist guides

Sub-programme 6.4: Tourism Destination Marketing

to provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its mandate as defined in the Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996) as amended

Sub-programme 6.5: Commercial Arts and Entertainment

to assist creative entrepreneurs to protect and benefit fully from their intellectual property

to promote and nurture the commercialisation and globalisation of product offering as part of the Cape offering to the tourism industry

Policy developments

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

Tourism is a major contributor to economic value and employment in the Western Cape. It directly contributes R17 million in GVA and accounts for 204 000 formal jobs in the province. Under a high growth scenario (which would entail the Western Cape matching the growth of successful tourism regions elsewhere in the world), the sector's GVA contribution could increase by 65 per cent to R28 billion in 2019, and it could add a further 120 000 formal jobs over the same period. (Project Khulisa, Final Report, McKinsey & Company, December 2014)

Project Khulisa identified several key levers that the Western Cape Government can use to catalyse a substantial and sustained increase in tourism visits, GVA contribution and job creation (Project Khulisa Final Report, McKinsey & Company, 11 December 2014). These are:

Accessibility: Engage National Government to improve the visa regime; consider options to “facilitate” certain sectors or players in the meantime.

Set strategic focus: Prioritise the development of targeted niche markets and targeted source markets.

Promotion: Create a platform that the public and private sectors are willing to collaborate on strategically and financially.

These key levers are prioritised in the Western Cape Government's Khulisa Tourism Roadmap and inform the key drivers of the provincial tourism strategy for the 2017/18 financial year. The strategic priorities for tourism destination management and destination marketing are:

Strategic Priority 1: To co-ordinate a single tourism destination strategy and delivery model which ensures effective and integrated destination management and marketing.

Strategic Priority 2: To co-deliver targeted actions designed to improve destination accessibility and attractiveness.

Strategic Priority 3: To improve brand awareness and ensure integrated marketing in key market segments and prioritised niches.

Changes: Policy structures, service establishments, etc.

The Programme structure and service establishment remained static from the previous financial year.

Expenditure trends analysis

The allocated budget for the Programme increased from R49.810 million (revised estimate) in the 2016/17 financial year to R56.506 million in the 2017/18 financial year. This represents an increase of 13.44 per cent or R6.696 million. This increase in allocation can primarily be attributed to the rollout of Khulisa: Tourism projects.

Strategic goal as per Strategic Plan

Create opportunities for growth and jobs.

Strategic objectives as per Annual Performance Plan

To co-ordinate a single tourism destination strategy and delivery model which ensures effective and integrated destination management and marketing.

To boost the attractiveness of the region through competitive product offerings and to improve accessibility to Cape Town and the regions.

To register and regulate the tourist guiding sub-sector.

To provide resources to the tourism, trade and investment promotion public entity to enable it to deliver on its legislative and strategic mandate for trade and investment promotion.

Table 8.6 Summary of payments and estimates – Programme 6: Tourism, Arts and Entertainment

Sub-programme R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
1. Tourism Planning	3 863	4 198	1 410	1	1	1	1		1	1
2. Tourism Growth and Development	4 838	3 110	1 710	1	1	1	1		1	1
3. Tourism Sector Transformation	8 702	9 231	8 205	14 061	12 483	12 483	13 828	10.77	12 941	13 778
4. Tourism Destination Marketing	22 600	22 000	28 300	32 525	37 325	37 325	42 676	14.34	45 194	47 593
5. Commercial Arts and Entertainment	7 551	6 560	257							
Total payments and estimates	47 554	45 099	39 882	46 588	49 810	49 810	56 506	13.44	58 137	61 373

Note: Sub-programme 6.4: Tourism Destination Marketing: The sub-programme houses the allocation for destination marketing (previously allocated to the Destination Marketing Organisation [DMO]). The DMO has dissolved and its allocations have been incorporated into Wesgro, as part of their allocations.

Sub-programmes 6.1: Tourism Planning and 6.2: Tourism Growth and Development has been allocated a nominal allocation due to restructuring of the Department's programmes.

The sub-programme structure deviates from the approved structure as no allocation was made to Sub-programme 6.5: Commercial Arts and Entertainment due to these functions being absorbed by another sub-programme.

Earmarked allocation:

Included in Sub-programme 6.4: Tourism Destination Marketing is an earmarked allocation amounting to R2 000 000 (2017/18), R2 118 000 (2018/19) and R2 105 000 (2019/20) for the purpose of supporting cycle tourism as part of the Khulisa: Tourism priority projects.

Table 8.6.1 Summary of payments and estimates by economic classification – Programme 6: Tourism, Arts and Entertainment

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Current payments	17 013	16 361	11 021	11 413	9 716	9 702	13 773	41.96	12 873	13 700
Compensation of employees	12 500	12 706	9 594	7 850	7 850	7 850	8 287	5.57	8 980	9 696
Goods and services	4 513	3 655	1 427	3 563	1 866	1 852	5 486	196.22	3 893	4 004
Transfers and subsidies to	30 413	28 600	28 312	35 175	40 047	40 061	42 676	6.53	45 194	47 593
Departmental agencies and accounts	25 100	24 500	28 300	35 175	39 975	39 975	42 676	6.76	45 194	47 593
Public corporations and private enterprises						14		(100.00)		
Non-profit institutions	4 000	3 500								
Households	1 313	600	12		72	72		(100.00)		
Payments for capital assets	128	123	549		43	43	57	32.56	70	80
Machinery and equipment	128	123	547		42	43	57	32.56	70	80
Software and other intangible assets			2		1					
Payments for financial assets		15			4	4		(100.00)		
Total economic classification	47 554	45 099	39 882	46 588	49 810	49 810	56 506	13.44	58 137	61 373

Details of transfers and subsidies

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Transfers and subsidies to (Current)	30 413	28 600	28 312	35 175	40 047	40 061	42 676	6.53	45 194	47 593
Departmental agencies and accounts	25 100	24 500	28 300	35 175	39 975	39 975	42 676	6.76	45 194	47 593
Departmental agencies (non- business entities)	25 100	24 500	28 300	35 175	39 975	39 975	42 676	6.76	45 194	47 593
Western Cape Tourism, Trade and Investment Promotion Agency	25 100	24 500	28 300	35 175	39 975	39 975	42 676	6.76	45 194	47 593
Public corporations and private enterprises						14		(100.00)		
Private enterprises						14		(100.00)		
Other transfers to private enterprises						14		(100.00)		
Non-profit institutions	4 000	3 500								
Households	1 313	600	12		72	72		(100.00)		
Social benefits	1 313	600	12							
Other transfers to households					72	72		(100.00)		

Programme 7: Skills Development and Innovation

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

Analysis per sub-programme

Sub-programme 7.1: Provincial skills and Partnership

to promote coordination, partnerships and collaboration for increased access to occupationally directed programmes

to develop provincial mechanisms for the management of skills information and data

Sub-programme 7.2: Skills Programmes and Projects

to facilitate/support unemployed or underemployed youth to access jobs

Sub-programme 7.3: Skills Incentives

to facilitate demand led work placement and funding opportunities for youth to gain workplace experience

Sub-programme 7.4: Management: Skills Development

To conduct the overall management and administrative support to the programme

Policy developments

In response to the economic demand in the Western Cape, the supply of technical and vocational skills had been identified as a Game Changer as it cuts across the key sectors identified through Project Khulisa and the enabling sectors that support those sectors.

It therefore requires strong alignment amongst stakeholder strategies, which include the Provincial Strategic Plan; the Department's strategic objectives; the newly adopted Technical, and Vocational Skills Game Changer; and Project Khulisa.

The Game changer approach aims to focus the efforts of partners (National, Provincial and Local Government and business) to achieve that the economy has sufficient appropriately qualified technical and vocational skills to meet a competitive economy. To this end a transversal delivery plan has been developed, with clear deliverables and milestones.

A number of levers have been identified that would advance the technical and vocational skills in the Province. These include: (1) Enhanced awareness of artisans as a career option; (2) Increased access into Bridging Programmes; (3) Improved access to consolidated artisan bursary programmes; (4) Increased access to work placement opportunities by prospective artisans; (5) Reduction in regulatory barriers faced by stakeholders across the skills pipeline; and (6) Improved data and information management.

To achieve this, the Skills Development unit is required to play a leadership role in shaping the skills landscape and provide opportunities for the development of Trades and Occupations in the Western Cape.

This will be achieved through four key deliverables:

Addressing the levers identified by key stakeholders to ensure that the economy has the supply of artisans necessary to support growth sectors and relevant enablers;

Facilitating the necessary relationships and institutional capacity to ensure ongoing supply of skills to the sector, through an e-Skills Platform;

Work placement for experiential learning; and

Skills development support to in the main the identified Khulisa sectors.

Changes: Policy structures, service establishments, etc.

The Programme structure and service establishment remained static from the previous financial year.

Expenditure trends analysis

The allocated budget for the Programme increased from R62.802 million (revised estimate) in 2016/17 to R63.236 million in the 2017/18 financial year. This represents an increase of 0.69 per cent or R434 000.

Strategic goal as per Strategic Plan

Create opportunities for growth and jobs.

Strategic objectives as per Annual Performance Plan

Increase in number of quality workplace ready TVET learners (Institutional Supply).

To better coordinate government training programmes of internal and external candidates across departmental programmes and Departments.

To increase the number of appropriately skilled persons, by providing them access to work experience and/or training opportunities.

To attract and access skills incentives for placement opportunities and skills initiatives.

Table 8.7 Summary of payments and estimates – Programme 7: Skills Development and Innovation

Sub-programme R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
1. Provincial Skills and Partnership	12 350	5 637	6 655	10 488	10 488	9 722	19 217	97.67	15 465	16 395
2. Skills Programmes and Projects	20 429	32 752	42 460	50 505	50 065	48 283	41 186	(14.70)	44 594	47 390
3. Skills Incentives	1 239	1 288	356	2 249	2 249	4 797	2 833	(40.94)	3 028	3 235
4. Management: Skills Development	2 140	3 338	3 073							
Total payments and estimates	36 158	43 015	52 544	63 242	62 802	62 802	63 236	0.69	63 087	67 020

Note: The Programme Budget Structure is amended to align the organisational structure to the Programme Budget Structure. The sub-programme names of the programme are as follows:

Sub-programme 7.1: Provincial Skills Co-ordination is amended to Provincial Skills and Partnership.

Sub-programme 7.2: Workforce Development is amended to Skills Programmes and Projects.

Sub-programme 7.3: Innovation is amended to Skills Incentives.

Earmarked allocation:

Included in Sub-programme 7.1: Provincial Skills and Partnerships is an earmarked allocation amounting to R4 677 000 (2017/18) in support of the Apprenticeship Game Changer, of which R4 655 000 is earmarked for personnel expenditure.

Table 8.7.1 Summary of payments and estimates by economic classification – Programme 7: Skills Development and Innovation

Economic classification R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Current payments	20 991	25 454	39 891	36 330	47 396	47 388	40 244	(15.08)	37 863	40 162
Compensation of employees	7 386	8 363	9 744	12 114	11 674	11 674	15 050	28.92	11 186	11 998
Goods and services	13 605	17 091	30 147	24 216	35 722	35 714	25 194	(29.46)	26 677	28 164
Transfers and subsidies to	14 939	17 483	12 592	26 833	15 024	15 024	22 843	52.04	25 062	26 683
Departmental agencies and accounts	2 813									
Higher education institutions		1 460								
Public corporations and private enterprises	626									
Non-profit institutions	11 483	7 871	1 815	1 950	3 541	3 541	3 900	10.14	4 130	4 361
Households	17	8 152	10 777	24 883	11 483	11 483	18 943	64.97	20 932	22 322
Payments for capital assets	228	75	61	79	379	387	149	(61.50)	162	175
Machinery and equipment	228	72	57	79	378	386	149	(61.40)	162	175
Software and other intangible assets		3	4		1	1		(100.00)		
Payments for financial assets		3			3	3		(100.00)		
Total economic classification	36 158	43 015	52 544	63 242	62 802	62 802	63 236	0.69	63 087	67 020

Details of transfers and subsidies

Economic classification R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Transfers and subsidies to (Current)	14 939	17 483	12 592	26 833	15 024	15 024	22 843	52.04	25 062	26 683
Departmental agencies and accounts	2 813									
Departmental agencies (non-business entities)	2 813									
Western Cape Tourism, Trade and Investment Promotion Agency	2 813									
Higher education institutions		1 460								
Public corporations and private enterprises	626									
Public corporations	626									
Other transfers to public corporations	626									
Non-profit institutions	11 483	7 871	1 815	1 950	3 541	3 541	3 900	10.14	4 130	4 361
Households	17	8 152	10 777	24 883	11 483	11 483	18 943	64.97	20 932	22 322
Social benefits	17					10		(100.00)		
Other transfers to households		8 152	10 777	24 883	11 483	11 473	18 943	65.11	20 932	22 322

9. Other programme information

Personnel numbers and costs

Table 9.1 Personnel numbers and costs

Cost in R million	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2013/14		2014/15		2015/16		2016/17				2017/18		2018/19		2019/20		2016/17 to 2019/20		
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																			
1 – 6	48	8 824	52	9 997	69	10 642	25	25	5 168	31	6 490	29	6 632	29	7 159	5.1%	11.5%	5.1%	
7 – 10	112	39 758	122	41 387	118	38 584	120	120	45 595	125	53 421	123	55 618	123	60 171	0.8%	9.7%	43.1%	
11 – 12	43	25 213	37	26 193	45	30 507	44	44	35 097	43	33 796	40	34 148	40	37 052	(3.1%)	1.8%	28.1%	
13 – 16	16	16 835	18	17 906	24	18 319	21	21	22 627	25	28 470	24	28 321	24	29 648	4.6%	9.4%	21.9%	
Other							1	1	38	18	3 478	11	2 381	11	2 529	122.4%	305.2%	1.7%	
Total	219	90 630	229	95 483	256	98 052	211	211	108 525	242	125 655	227	127 100	227	136 559	2.5%	8.0%	100.0%	
Programme																			
Administration	57	17 542	63	18 836	57	22 264	73	73	34 003	101	39 031	92	41 976	92	45 066	8.0%	9.8%	32.2%	
Integrated Economic Development Services	40	17 322	42	19 153	37	16 793	30	30	16 613	33	19 324	33	20 829	33	22 424	3.2%	10.5%	15.9%	
Trade and Sector Development	39	11 470	40	11 848	49	10 815	19	19	10 563	14	9 489	14	10 241	14	11 009	(9.7%)	1.4%	8.3%	
Business Regulation and Governance	19	7 413	19	7 590	18	8 159	16	16	8 111	15	8 389	15	9 099	15	9 823	(2.1%)	6.6%	7.1%	
Economic Planning	20	16 997	19	16 987	33	20 683	35	35	19 711	41	26 085	37	24 789	37	26 543	1.9%	10.4%	19.5%	
Tourism Arts and Entertainment	32	12 500	32	12 706	34	9 594	17	17	7 850	17	8 287	17	8 980	17	9 696		7.3%	7.0%	
Skills Development and Innovation	12	7 386	14	8 363	28	9 744	21	21	11 674	21	15 050	19	11 186	19	11 998	(3.3%)	0.9%	10.0%	
Total	219	90 630	229	95 483	256	98 052	211	211	108 525	242	125 655	227	127 100	227	136 559	2.5%	8.0%	100.0%	
Employee dispensation classification																			
Public Service Act appointees not covered by OSDs					98 052		211		108 525	242	125 655	227	127 100	227	136 559		8.0%	100.0%	
Total					98 052		211		108 525	242	125 655	227	127 100	227	136 559		8.0%	100.0%	

¹ Personnel numbers includes all filled posts together with those posts additional to the approved establishment.

Training

Table 9.2 Information on training

R'000	Outcome			Main appropriation 2016/17	Adjusted appropriation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	2013/14	2014/15	2015/16				% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
Number of staff	219	229	256	211	211	211	242	14.69	227	227
Number of personnel trained	207	207	207	207	207	207	217	5.00	212	212
<i>of which</i>										
Male	85	85	85	85	85	85	89	5.00	90	90
Female	122	122	122	122	122	122	128	5.00	122	122
Number of training opportunities	59	62	65	65	65	65	68	5.00	72	72
<i>of which</i>										
Tertiary	9	12	15	15	15	15	16	5.00	17	17
Workshops	45	45	45	45	45	45	47	5.00	50	50
Seminars	5	5	5	5	5	5	5	5.00	6	6
Number of bursaries offered	9	12	15	15	15	15	16	5.00	17	17
Number of interns appointed	45	45	45	45	45	45	47	5.00	50	50
Number of days spent on training	5 000	5 000	5 000	5 000	5 000	5 000	5 250	5.00	5 555	5 555
Payments on training by programme										
1. Administration	905	632	699	809	809	809	1 666	105.93	1 806	1 829
2. Integrated Economic Development Services	445	292	187	1 344	1 344	1 344	286	(78.72)	395	362
3. Trade and Sector Development	109	163	160	143	143	143	120	(16.08)	95	100
4. Business Regulation and Governance	376	48	55	250	250	250	180	(28.00)	180	200
5. Economic Planning	35	68	80	125	125	125	300	140.00	290	315
6. Tourism Arts and Entertainment	1 040	346	360	168	168	168	55	(67.26)	25	30
7. Skills Development and Innovation	71	16	5 381	132	132	132	257	94.70	257	257
Total payments on training	2 981	1 565	6 922	2 971	2 971	2 971	2 864	(3.60)	3 048	3 093

Reconciliation of structural changes

None.

Table A.1 Specification of receipts

Receipts R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Sales of goods and services other than capital assets	389	436	428	284	284	348	298	(14.37)	315	333
<i>of which</i>										
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	389	436	428	284	284	348	298	(14.37)	315	333
Interest, dividends and rent on land	14	3	42							
Interest	14	3	42							
Sales of capital assets						21		(100.00)		
Other capital assets						21		(100.00)		
Financial transactions in assets and liabilities	2 851	9 871	12 191			659		(100.00)		
Recovery of previous year's expenditure		9 871	12 191			659		(100.00)		
Other	2 851									
Total departmental receipts	3 254	10 310	12 661	284	284	1 028	298	(71.01)	315	333

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Table A.2 Summary of payments and estimates by economic classification

Economic classification R'000	Outcome			Medium-term estimate						
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2016/17	2018/19	2019/20
Current payments	169 474	193 513	210 110	255 575	229 926	229 888	243 185	5.78	250 710	264 708
Compensation of employees	90 630	95 483	98 052	115 580	108 525	108 525	125 655	15.78	127 100	136 559
Salaries and wages	81 599	85 812	87 555	103 376	96 614	96 694	117 282	21.29	118 014	126 720
Social contributions	9 031	9 671	10 497	12 204	11 911	11 831	8 373	(29.23)	9 086	9 839
Goods and services	78 844	98 030	112 058	139 995	121 401	121 363	117 530	(3.16)	123 610	128 149
<i>of which</i>										
Administrative fees	174	218	205	289	203	249	333	33.73	374	385
Advertising	4 672	6 064	6 990	4 881	9 212	9 147	13 894	51.90	16 770	15 734
Minor Assets	702	435	366	154	506	500	279	(44.20)	286	317
Audit cost: External	3 392	3 119	3 066	4 000	2 772	2 772	3 341	20.53	3 581	3 692
Bursaries: Employees	190	293	442	594	411	411	300	(27.01)	317	334
Catering: Departmental activities	1 331	1 378	793	965	1 109	1 144	970	(15.21)	1 018	1 086
Communication (G&S)	1 798	1 555	861	1 088	1 056	958	1 220	27.35	1 316	1 483
Computer services	1 105	1 752	8 374	6 126	6 855	7 049	2 856	(59.48)	3 050	3 170
Consultants and professional services: Business and advisory services	50 139	57 093	49 297	91 125	60 900	59 887	62 244	3.94	62 903	66 085
Legal costs					29	28		(100.00)		
Contractors	394	915	1 310	738	1 094	1 113	2 382	114.02	2 479	2 558
Agency and support/outsourced services	2 186	1 886	1 936	1 900	1 822	1 579	1 700	7.66	1 703	1 747
Entertainment	46	30	43	105	80	59	122	106.78	136	143
Fleet services (including government motor transport)		624	683	1 000	480	500	360	(28.00)	380	402
Inventory: Clothing material and accessories							1			
Inventory: Food and food supplies	42									
Inventory: Materials and supplies	42	158								
Inventory: Medical supplies	5									
Inventory: Other supplies	4									
Consumable supplies	11	153	460	102	244	282	428	51.77	450	502
Consumable: Stationery, printing and office supplies	1 543	923	962	1 770	1 493	1 379	1 856	34.59	1 900	2 064
Operating leases	762	726	599	439	537	551	471	(14.52)	501	498
Property payments		7	133			8	3	(62.50)		
Transport provided: Departmental activity						16	5	(68.75)	7	8
Travel and subsistence	5 021	3 439	2 315	3 042	2 108	2 406	3 623	50.58	4 057	4 250
Training and development	2 981	14 555	30 572	20 568	28 043	28 706	18 692	(34.88)	19 740	20 886
Operating payments	908	711	1 091	347	1 158	1 280	1 169	(8.67)	1 247	1 329
Venues and facilities	1 333	1 599	820	762	740	687	1 051	52.98	1 119	1 189
Rental and hiring	63	397	740		549	652	230	(64.72)	275	287
Transfers and subsidies to	162 544	272 808	177 948	230 393	339 853	339 869	179 613	(47.15)	176 979	178 522
Provinces and municipalities	5 150	500								
Municipalities	5 150	500								
Municipal bank accounts	2 800									
Municipal agencies and funds	2 350	500								
Departmental agencies and accounts	62 129	76 827	86 459	95 835	204 452	204 454	123 004	(39.84)	122 410	120 658
Departmental agencies (non-business entities)	62 129	76 827	86 459	95 835	204 452	204 454	123 004	(39.84)	122 410	120 658
Western Cape Tourism, Trade and Investment Promotion Agency	55 928	46 735	57 500	66 010	74 227	74 227	75 096	1.17	79 527	83 719
Saldanha Bay IDZ Licencing Company SOC Limited		28 091	28 958	29 824	130 224	130 224	47 906	(63.21)	42 882	36 938
Other	6 201	2 001	1	1	1	3	2	(33.33)	1	1
Higher education institutions	800	4 610								
Public corporations and private enterprises	6 976	5 587	2 831		5 418	5 418	3 750	(30.79)	3 780	3 780
Public corporations	6 476	5 587			3 000	3 000		(100.00)		
Other transfers to public corporations	6 476	5 587			3 000	3 000		(100.00)		
Private enterprises	500		2 831		2 418	2 418	3 750	55.09	3 780	3 780
Other transfers to private enterprises	500		2 831		2 418	2 418	3 750	55.09	3 780	3 780
Non-profit institutions	85 588	175 840	75 693	107 300	116 366	116 366	33 241	(71.43)	29 182	31 087
Households	1 901	9 444	12 965	27 258	13 617	13 631	19 618	43.92	21 607	22 997
Social benefits	1 406	700	2 188		32	42		(100.00)		
Other transfers to households	495	8 744	10 777	27 258	13 585	13 589	19 618	44.37	21 607	22 997

Table A.2 Summary of payments and estimates by economic classification (continued)

Economic classification R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Payments for capital assets	4 228	3 497	5 692	801	3 354	3 360	4 547	35.33	4 740	5 132
Machinery and equipment	4 167	3 450	5 426	801	3 338	3 338	4 435	32.86	4 630	5 019
Transport equipment			3 624	65	177	1 383		(100.00)		
Other machinery and equipment	4 167	3 450	1 802	736	3 161	1 955	4 435	126.85	4 630	5 019
Software and other intangible assets	61	47	266		16	22	112	409.09	110	113
Payments for financial assets	36	88	124		133	149		(100.00)		
Total economic classification	336 282	469 906	393 874	486 769	573 266	573 266	427 345	(25.45)	432 429	448 362

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Table A.2.1 Payments and estimates by economic classification – Programme 1: Administration

Economic classification R'000	Outcome			Main appropriation 2016/17	Adjusted appropriation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
Current payments	30 388	32 713	36 666	49 707	50 207	50 197	57 633	14.81	63 900	65 996
Compensation of employees	17 542	18 836	22 264	35 773	34 003	34 003	39 031	14.79	41 976	45 066
Salaries and wages	15 633	16 833	19 699	31 502	30 137	30 137	35 417	17.52	38 061	40 822
Social contributions	1 909	2 003	2 565	4 271	3 866	3 866	3 614	(6.52)	3 915	4 244
Goods and services	12 846	13 877	14 402	13 934	16 204	16 194	18 602	14.87	21 924	20 930
<i>of which</i>										
Administrative fees	38	50	43	86	85	75	113	50.67	122	103
Advertising	3 843	5 833	6 016	4 418	7 892	7 892	9 672	22.55	12 208	10 851
Minor Assets	174	90	79	25	101	101	135	33.66	142	140
Audit cost: External	3 392	3 119	3 066	4 000	2 772	2 772	3 341	20.53	3 581	3 692
Bursaries: Employees	190	293	442	594	411	411	300	(27.01)	317	334
Catering: Departmental activities	58	21	107	141	141	138	26	(81.16)	36	43
Communication (G&S)	442	391	235	375	381	378	342	(9.52)	382	409
Computer services	432	401	621	1 006	531	531	255	(51.98)	300	318
Consultants and professional services: Business and advisory services	223	553	390		163	163		(100.00)		
Contractors	84	336	45	30	74	70	379	441.43	408	423
Agency and support/outsourced services							15		17	20
Entertainment	8	5	12	35	27	23	27	17.39	33	39
Fleet services (including government motor transport)		624	683	1 000	480	500	360	(28.00)	380	402
Inventory: Clothing material and accessories							1			
Inventory: Food and food supplies	12									
Inventory: Materials and supplies	26	38								
Inventory: Medical supplies	5									
Consumable supplies	4	46	129	37	133	117	152	29.91	168	180
Consumable: Stationery, printing and office supplies	622	220	312	363	535	517	608	17.60	660	697
Operating leases	131	133	123	136	145	151	128	(15.23)	136	144
Property payments			133							
Transport provided: Departmental activity							5		7	8
Travel and subsistence	1 322	307	278	531	467	468	635	35.68	898	952
Training and development	905	756	764	809	808	808	1 666	106.19	1 606	1 622
Operating payments	720	387	580	250	712	640	67	(89.53)	98	106
Venues and facilities	198	34	285	98	196	209	275	31.58	300	315
Rental and hiring	17	240	59		150	230	100	(56.52)	125	132
Transfers and subsidies to	22	41	16	1	33	35	2	(94.29)	1	1
Departmental agencies and accounts		1	1	1	1	3	2	(33.33)	1	1
Departmental agencies (non-business entities)		1	1	1	1	3	2	(33.33)	1	1
Other		1	1	1	1	3	2	(33.33)	1	1
Households	22	40	15		32	32		(100.00)		
Social benefits	22	40	15		32	32		(100.00)		
Payments for capital assets	2 825	2 755	3 648	211	2 026	2 024	3 411	68.53	3 557	3 877
Machinery and equipment	2 825	2 754	3 488	211	2 012	2 011	3 311	64.64	3 457	3 776
Transport equipment			3 018			1 206		(100.00)		
Other machinery and equipment	2 825	2 754	470	211	2 012	805	3 311	311.30	3 457	3 776
Software and other intangible assets		1	160		14	13	100	669.23	100	101
Payments for financial assets	14	20			48	58		(100.00)		
Total economic classification	33 249	35 529	40 330	49 919	52 314	52 314	61 046	6.45	67 458	69 874

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Table A.2.2 Payments and estimates by economic classification – Programme 2: Integrated Economic Development Services

Economic classification R'000	Outcome			Medium-term estimate						
	Audited	Audited	Audited	Main appro- piation	Adjusted appro- piation	Revised estimate	% Change from Revised estimate			
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2016/17	2018/19	2019/20
Current payments	30 182	32 415	39 701	35 903	29 182	29 182	31 567	8.17	33 120	35 707
Compensation of employees	17 322	19 153	16 793	17 533	16 613	16 613	19 324	16.32	20 829	22 424
Salaries and wages	15 464	17 099	14 850	15 609	14 703	14 703	18 230	23.99	19 643	21 138
Social contributions	1 858	2 054	1 943	1 924	1 910	1 910	1 094	(42.72)	1 186	1 286
Goods and services	12 860	13 262	22 908	18 370	12 569	12 569	12 243	(2.59)	12 291	13 283
<i>of which</i>										
Administrative fees	13	30	67	138	44	47	92	95.74	91	99
Advertising	221	49	386	256	618	603	437	(27.53)	464	510
Minor Assets	131	127	15	39	23	23	55	139.13	62	74
Catering: Departmental activities	696	539	399	469	456	448	640	42.86	661	698
Communication (G&S)	273	285	148	150	126	118	109	(7.63)	117	128
Computer services	7				3	4		(100.00)		
Consultants and professional services: Business and advisory services	8 274	8 360	15 004	14 350	7 999	7 770	6 669	(14.17)	6 256	6 751
Legal costs					29	28		(100.00)		
Contractors	145	343	1 093	690	1 002	1 026	1 339	30.51	1 405	1 445
Agency and support/outsourced services	750	611	471	500	422	374	285	(23.80)	286	310
Entertainment	10	16	22	22	16	16	27	68.75	27	29
Inventory: Food and food supplies	9									
Inventory: Materials and supplies	9									
Consumable supplies		21	119		26	34	63	85.29	61	68
Consumable: Stationery, printing and office supplies	141	228	239	218	215	210	142	(32.38)	146	162
Operating leases	41	28	36	45	56	59	68	15.25	63	70
Travel and subsistence	1 099	761	673	700	480	481	357	(25.78)	385	406
Training and development	445	635	3 105	250	345	617	1 165	88.82	1 445	1 664
Operating payments	43	22	94	5	68	76	215	182.89	205	217
Venues and facilities	534	1 204	400	538	259	253	450	77.87	467	497
Rental and hiring	19	3	637		382	382	130	(65.97)	150	155
Transfers and subsidies to	19 495	26 621	13 232	4 875	10 348	10 348	5 376	(48.05)	5 406	5 406
Departmental agencies and accounts	5 000	2 000	1 900	2 500	2 900	2 900	951	(67.21)	951	951
Departmental agencies (non-business entities)	5 000	2 000	1 900	2 500	2 900	2 900	951	(67.21)	951	951
Western Cape Tourism, Trade and Investment Promotion Agency			1 900	2 500	2 500	2 500		(100.00)		
Saldanha Bay IDZ Licencing Company SOC Limited					400	400	951	137.75	951	951
Other	5 000	2 000								
Higher education institutions	250	2 150								
Public corporations and private enterprises	5 850	5 577	2 831		5 418	5 404	3 750	(30.61)	3 780	3 780
Public corporations	5 850	5 577			3 000	3 000		(100.00)		
Other transfers to public corporations	5 850	5 577			3 000	3 000		(100.00)		
Private enterprises			2 831		2 418	2 404	3 750	55.99	3 780	3 780
Other transfers to private enterprises			2 831		2 418	2 404	3 750	55.99	3 780	3 780
Non-profit institutions	7 900	16 276	6 448							
Households	495	618	2 053	2 375	2 030	2 044	675	(66.98)	675	675
Social benefits		28	2 053							
Other transfers to households	495	590		2 375	2 030	2 044	675	(66.98)	675	675
Payments for capital assets	311	220	869	160	266	266	230	(13.53)	244	257
Machinery and equipment	311	215	802	160	266	266	225	(15.41)	241	254
Transport equipment			264							
Other machinery and equipment	311	215	538	160	266	266	225	(15.41)	241	254
Software and other intangible assets		5	67				5		3	3
Payments for financial assets	19	13			14	14		(100.00)		
Total economic classification	50 007	59 269	53 802	40 938	39 810	39 810	37 173	(6.62)	38 770	41 370

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Table A.2.3 Payments and estimates by economic classification – Programme 3: Trade and Sector Development

Economic classification R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Current payments	13 122	17 003	11 502	21 590	17 811	17 811	15 153	(14.92)	16 382	17 148
Compensation of employees	11 470	11 848	10 815	10 883	10 563	10 563	9 489	(10.17)	10 241	11 009
Salaries and wages	10 352	10 690	9 638	9 599	9 279	9 279	8 880	(4.30)	9 581	10 293
Social contributions	1 118	1 158	1 177	1 284	1 284	1 284	609	(52.57)	660	716
Goods and services	1 652	5 155	687	10 707	7 248	7 248	5 664	(21.85)	6 141	6 139
<i>of which</i>										
Administrative fees	64	43	12	11	11	13	16	23.08	18	23
Advertising			95			2	51	2450.00	52	60
Minor Assets	59	12	7			3	4	33.33	5	5
Catering: Departmental activities	93	11	82	11	11	9	5	(44.44)	10	15
Communication (G&S)	204	159	75	37	37	61	58	(4.92)	60	75
Consultants and professional services: Business and advisory services		3 798	60	10 448	7 009	6 844	5 000	(26.94)	5 348	5 293
Contractors	8									
Entertainment	12	3	1	8	8		12		14	15
Inventory: Food and food supplies	8									
Consumable supplies	7	11	16			9	17	88.89	15	18
Consumable: Stationery, printing and office supplies	181	84	38	59	58	56	100	78.57	170	175
Operating leases	41	93	77			8	15	87.50		
Travel and subsistence	812	784	188	108	89	191	250	30.89	315	315
Training and development	78	64	15	25	25	8	120	1400.00	95	100
Operating payments	5	12	21			21	16	(23.81)	25	30
Venues and facilities	80	81							14	15
Rental and hiring						23		(100.00)		
Transfers and subsidies to	56 225	54 169	46 069	37 996	41 413	41 413	36 095	(12.84)	32 215	33 889
Departmental agencies and accounts	21 481	19 235	23 000	25 000	28 417	28 417	30 420	7.05	32 215	33 889
Departmental agencies (non-business entities)	21 481	19 235	23 000	25 000	28 417	28 417	30 420	7.05	32 215	33 889
Western Cape Tourism, Trade and Investment Promotion Agency	21 481	19 235	23 000	25 000	28 417	28 417	30 420	7.05	32 215	33 889
Higher education institutions		1 000								
Public corporations and private enterprises	500	10								
Public corporations		10								
Other transfers to public corporations		10								
Private enterprises	500									
Other transfers to private enterprises	500									
Non-profit institutions	34 244	33 922	23 000	12 996	12 996	12 996	5 675	(56.33)		
Households		2	69							
Social benefits			69							
Other transfers to households		2								
Payments for capital assets	118	73	85		26	26	186	615.38	187	189
Machinery and equipment	118	67	81		26	26	186	615.38	187	189
Other machinery and equipment	118	67	81		26	26	186	615.38	187	189
Software and other intangible assets		6	4							
Payments for financial assets		3	7		22	22		(100.00)		
Total economic classification	69 465	71 248	57 663	59 586	59 272	59 272	51 434	(13.22)	48 784	51 226

Table A.2.4 Payments and estimates by economic classification – Programme 4: Business Regulation and Governance

Economic classification R'000	Outcome			Medium-term estimate						
	Audited	Audited	Audited	Main appro- piation	Adjusted appro- piation	Revised estimate	% Change from Revised estimate			
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2016/17	2018/19	2019/20
Current payments	10 294	9 966	10 765	11 221	10 779	10 773	11 834	9.85	12 740	13 667
Compensation of employees	7 413	7 590	8 159	8 511	8 111	8 111	8 389	3.43	9 099	9 823
Salaries and wages	6 523	6 692	7 173	7 530	7 130	7 156	7 699	7.59	8 351	9 012
Social contributions	890	898	986	981	981	955	690	(27.75)	748	811
Goods and services	2 881	2 376	2 606	2 710	2 668	2 662	3 445	29.41	3 641	3 844
<i>of which</i>										
Administrative fees	2	18	24			21	30	42.86	33	35
Advertising	291		46				400		518	600
Minor Assets	9	5	156	16	16	12	4	(66.67)	5	8
Catering: Departmental activities	27	4		24	24	17	15	(11.76)	15	20
Communication (G&S)	187	156	93	217	217	92	100	8.70	100	130
Computer services	75		61	120	120	315	250	(20.63)	260	220
Consultants and professional services: Business and advisory services	159		402	200	158	143		(100.00)		
Contractors	9	6	1	18	18	15	200	1233.33	200	220
Agency and support/outsourced services	1 433	1 273	1 465	1 400	1 400	1 205	1 400	16.18	1 400	1 417
Entertainment	3			9	9	4		(100.00)		
Consumable supplies		2	20							
Consumable: Stationery, printing and office supplies	29	30	31	62	62	47	60	27.66	60	70
Operating leases	56	52	36	65	65	65	65		65	80
Property payments		7				3	3			
Travel and subsistence	209	258	246	263	263	295	431	46.10	484	504
Training and development	376	534	4	316	316	268	180	(32.84)	180	200
Operating payments	11	15	19			160	307	91.88	321	340
Venues and facilities	5	16								
Rental and hiring			2							
Transfers and subsidies to	3									
Households	3									
Social benefits	3									
Payments for capital assets	87	40	103	90	90	90	85	(5.56)	97	104
Machinery and equipment	87	40	98	90	90	82	80	(2.44)	90	95
Other machinery and equipment	87	40	98	90	90	82	80	(2.44)	90	95
Software and other intangible assets			5			8	5	(37.50)	7	9
Payments for financial assets		15			42	48		(100.00)		
Total economic classification	10 384	10 021	10 868	11 311	10 911	10 911	11 919	9.24	12 837	13 771

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Table A.2.5 Payments and estimates by economic classification – Programme 5: Economic Planning

Economic classification R'000	Outcome			Main appropriation			Medium-term estimate			
	Audited	Audited	Audited	Main appropriation	Adjusted appropriation	Revised estimate	% Change from Revised estimate			
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2016/17	2018/19	2019/20
Current payments	47 484	59 601	60 564	89 411	64 835	64 835	72 981	12.56	73 832	78 328
Compensation of employees	16 997	16 987	20 683	22 916	19 711	19 711	26 085	32.34	24 789	26 543
Salaries and wages	15 639	15 661	18 965	21 188	17 871	17 871	24 990	39.84	23 590	25 256
Social contributions	1 358	1 326	1 718	1 728	1 840	1 840	1 095	(40.49)	1 199	1 287
Goods and services	30 487	42 614	39 881	66 495	45 124	45 124	46 896	3.93	49 043	51 785
<i>of which</i>										
Administrative fees	47	22	20	31	37	41	37	(9.76)	59	71
Advertising	218	138	447	177	419	419	104	(75.18)	116	120
Minor Assets	114	63	80	25	317	311	77	(75.24)	65	82
Catering: Departmental activities	156	322	51	54	37	43	64	48.84	68	70
Communication (G&S)	336	237	137	170	164	165	268	62.42	280	337
Computer services	581	1 351	5 215	2 000	3 500	3 500	2 251	(35.69)	2 385	2 517
Consultants and professional services: Business and advisory services	27 289	38 921	32 543	61 887	39 147	39 135	41 055	4.91	43 135	45 549
Contractors	119	44	5				414		414	415
Agency and support/outsourced services	3									
Entertainment	5	5	7	26	15	11	39	254.55	43	40
Inventory: Food and food supplies	9									
Inventory: Materials and supplies	3									
Inventory: Other supplies	2									
Consumable supplies		41	128	20	40	54	27	(50.00)	31	47
Consumable: Stationery, printing and office supplies	278	168	174	800	305	285	543	90.53	426	470
Operating leases	401	320	241	52	130	113	101	(10.62)	130	93
Travel and subsistence	630	439	322	1 058	377	378	1 096	189.95	1 052	1 080
Training and development	66	119	73	71	106	186	300	61.29	290	315
Operating payments	108	216	328	34	304	311	520	67.20	548	579
Venues and facilities	102	58	108	90	209	155		(100.00)	0	
Rental and hiring	20	150	2		17	17		(100.00)		
Transfers and subsidies to	41 447	145 894	77 727	125 513	232 988	232 988	72 621	(68.83)	69 101	64 950
Provinces and municipalities	5 150	500								
Municipalities	5 150	500								
Municipal bank accounts	2 800									
Municipal agencies and funds	2 350	500								
Departmental agencies and accounts	7 735	31 091	33 258	33 159	133 159	133 159	48 955	(63.24)	44 049	38 224
Departmental agencies (non-business entities)	7 735	31 091	33 258	33 159	133 159	133 159	48 955	(63.24)	44 049	38 224
Western Cape Tourism, Trade and Investment Promotion Agency	6 534	3 000	4 300	3 335	3 335	3 335	2 000	(40.03)	2 118	2 237
Saldanha Bay IDZ Licencing Company SOC Limited		28 091	28 958	29 824	129 824	129 824	46 955	(63.83)	41 931	35 987
Other	1 201									
Higher education institutions	550									
Non-profit institutions	27 961	114 271	44 430	92 354	99 829	99 829	23 666	(76.29)	25 052	26 726
Households	51	32	39							
Social benefits	51	32	39							
Payments for capital assets	531	211	377	261	524	524	429	(18.13)	423	450
Machinery and equipment	470	179	353	261	524	524	427	(18.51)	423	450
Transport equipment				65	177	177		(100.00)		
Other machinery and equipment	470	179	353	196	347	347	427	23.05	423	450
Software and other intangible assets	61	32	24				2			
Payments for financial assets	3	19	117							
Total economic classification	89 465	205 725	138 785	215 185	298 347	298 347	146 031	(51.05)	143 356	143 728

Table A.2.6 Payments and estimates by economic classification – Programme 6: Tourism, Arts and Entertainment

Economic classification R'000	Outcome			Medium-term estimate						
	Audited	Audited	Audited	Main appro- piation	Adjusted appro- piation	Revised estimate	% Change from Revised estimate			
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2016/17	2018/19	2019/20
Current payments	17 013	16 361	11 021	11 413	9 716	9 702	13 773	41.96	12 873	13 700
Compensation of employees	12 500	12 706	9 594	7 850	7 850	7 850	8 287	5.57	8 980	9 696
Salaries and wages	11 182	11 297	8 432	6 850	6 850	6 929	7 630	10.12	8 268	8 923
Social contributions	1 318	1 409	1 162	1 000	1 000	921	657	(28.66)	712	773
Goods and services	4 513	3 655	1 427	3 563	1 866	1 852	5 486	196.22	3 893	4 004
<i>of which</i>										
Administrative fees	6	42	16	3	3	26	23	(11.54)	26	28
Advertising	45	44			253	201	500	148.76	521	540
Minor Assets	36	53	29	1	1	2	1	(50.00)	1	1
Catering: Departmental activities	270	292	25	19	13	66	56	(15.15)	56	60
Communication (G&S)	265	218	117	64	59	61	50	(18.03)	63	78
Computer services							100		105	115
Consultants and professional services: Business and advisory services	1 386	613	31	3 240	274	184	4 020	2084.78	2 339	2 341
Contractors	29	164	166					(100.00)		
Entertainment		1	1	1	1	1	6	500.00	7	8
Inventory: Food and food supplies	2									
Inventory: Materials and supplies		120								
Consumable supplies		4	24			23	25	8.70	25	30
Consumable: Stationery, printing and office supplies	242	112	133	62	132	99	161	62.63	174	190
Operating leases	85	76	62	96	96	102	94	(7.84)	107	111
Property payments						3		(100.00)		
Travel and subsistence	765	638	350	72	72	232	207	(10.78)	247	258
Training and development	1 040	1 091	455		937	824	55	(93.33)	25	30
Operating payments	12	23	11	5	25	22	38	72.73	40	43
Venues and facilities	330	160	1			4	150	3650.00	157	171
Rental and hiring		4	6							
Transfers and subsidies to	30 413	28 600	28 312	35 175	40 047	40 061	42 676	6.53	45 194	47 593
Departmental agencies and accounts	25 100	24 500	28 300	35 175	39 975	39 975	42 676	6.76	45 194	47 593
Departmental agencies (non-business entities)	25 100	24 500	28 300	35 175	39 975	39 975	42 676	6.76	45 194	47 593
Western Cape Tourism, Trade and Investment Promotion Agency	25 100	24 500	28 300	35 175	39 975	39 975	42 676	6.76	45 194	47 593
Public corporations and private enterprises						14		(100.00)		
Private enterprises						14		(100.00)		
Other transfers to private enterprises						14		(100.00)		
Non-profit institutions	4 000	3 500								
Households	1 313	600	12		72	72		(100.00)		
Social benefits	1 313	600	12							
Other transfers to households					72	72		(100.00)		
Payments for capital assets	128	123	549		43	43	57	32.56	70	80
Machinery and equipment	128	123	547		42	43	57	32.56	70	80
Transport equipment			342							
Other machinery and equipment	128	123	205		42	43	57	32.56	70	80
Software and other intangible assets			2		1					
Payments for financial assets		15			4	4		(100.00)		
Total economic classification	47 554	45 099	39 882	46 588	49 810	49 810	56 506	13.44	58 137	61 373

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Table A.2.7 Payments and estimates by economic classification – Programme 7: Skills Development and Innovation

Economic classification R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Current payments	20 991	25 454	39 891	36 330	47 396	47 388	40 244	(15.08)	37 863	40 162
Compensation of employees	7 386	8 363	9 744	12 114	11 674	11 674	15 050	28.92	11 186	11 998
Salaries and wages	6 806	7 540	8 798	11 098	10 644	10 619	14 436	35.95	10 520	11 276
Social contributions	580	823	946	1 016	1 030	1 055	614	(41.80)	666	722
Goods and services	13 605	17 091	30 147	24 216	35 722	35 714	25 194	(29.46)	26 677	28 164
<i>of which</i>										
Administrative fees	4	13	23	20	23	26	22	(15.38)	25	26
Advertising	54			30	30	30	2 730	9000.00	2 891	3 053
Minor Assets	179	85		48	48	48	3	(93.75)	6	7
Catering: Departmental activities	31	189	129	247	427	423	164	(61.23)	172	180
Communication (G&S)	91	109	56	75	72	83	293	253.01	314	326
Computer services	10		2 477	3 000	2 701	2 699		(100.00)		
Consultants and professional services: Business and advisory services	12 808	4 848	867	1 000	6 150	5 648	5 500	(2.62)	5 825	6 151
Contractors		22					50		52	55
Agency and support/outsourced services		2								
Entertainment	8			4	4	4	11	175.00	12	12
Inventory: Food and food supplies	2									
Inventory: Materials and supplies	4									
Inventory: Other supplies	2									
Consumable supplies		28	24	45	45	45	144	220.00	150	159
Consumable: Stationery, printing and office supplies	50	81	35	206	186	165	242	46.67	264	300
Operating leases	7	24	24	45	45	53		(100.00)		
Property payments						2		(100.00)		
Transport provided: Departmental activity						16		(100.00)		
Travel and subsistence	184	252	258	310	360	361	647	79.22	676	735
Training and development	71	11 356	26 156	19 097	25 506	25 995	15 206	(41.50)	16 099	16 955
Operating payments	9	36	38	53	49	50	6	(88.00)	10	14
Venues and facilities	84	46	26	36	76	66	176	166.67	181	191
Rental and hiring	7		34							
Transfers and subsidies to	14 939	17 483	12 592	26 833	15 024	15 024	22 843	52.04	25 062	26 683
Departmental agencies and accounts	2 813									
Departmental agencies (non-business entities)	2 813									
Western Cape Tourism, Trade and Investment Promotion Agency	2 813									
Higher education institutions		1 460								
Public corporations and private enterprises	626									
Public corporations	626									
Other transfers to public corporations	626									
Non-profit institutions	11 483	7 871	1 815	1 950	3 541	3 541	3 900	10.14	4 130	4 361
Households	17	8 152	10 777	24 883	11 483	11 483	18 943	64.97	20 932	22 322
Social benefits	17					10		(100.00)		
Other transfers to households		8 152	10 777	24 883	11 483	11 473	18 943	65.11	20 932	22 322
Payments for capital assets	228	75	61	79	379	387	149	(61.50)	162	175
Machinery and equipment	228	72	57	79	378	386	149	(61.40)	162	175
Other machinery and equipment	228	72	57	79	378	386	149	(61.40)	162	175
Software and other intangible assets		3	4		1	1		(100.00)		
Payments for financial assets		3			3	3		(100.00)		
Total economic classification	36 158	43 015	52 544	63 242	62 802	62 802	63 236	0.69	63 087	67 020

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Table A.3.1 Details on public entities – Name of Public Entity: Western Cape Tourism, Trade and Investment Promotion Agency

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term receipts estimate		
	2013/14	2014/15	Actual outcome 2015/16				2017/18	2018/19	2019/20
Revenue									
Non-tax revenue	74 386	52 002	71 182	77 081	54 681	54 681	90 992	94 775	100 966
Sale of goods and services other than capital assets	2 071	4 827	1 496	1 470	2 300	2 300	760	742	695
Transfers received	72 315	47 175	69 686	75 611	52 381	52 381	90 232	94 033	100 271
Total revenue	74 386	52 002	71 182	77 081	54 681	54 681	90 992	94 775	100 966
Expenses									
Current expense	75 503	49 674	61 861	61 537	47 392	47 392	90 992	94 775	100 966
Compensation of employees	24 940	23 480	24 832	36 327	24 135	24 135	33 618	36 224	37 925
Goods and services	50 563	26 194	37 029	25 210	23 257	23 257	57 374	58 551	63 041
Total expenses	75 503	49 674	61 861	61 537	47 392	47 392	90 992	94 775	100 966
Surplus / (Deficit)	(1 117)	2 328	9 321	15 544	7 289	7 289			
Surplus/(deficit) after adjustments¹	(1 117)	2 328	9 321	15 544	7 289	7 289			
Cash flow from investing activities	1 856	(110)	(305)						
Acquisition of Assets	1 856	(110)	(305)						
Other Structures (Infrastructure Assets)	3 499	445	13						
Computer equipment	(381)	(283)	(139)						
Furniture and Office equipment	(1 095)	(39)	(179)						
Computer Software	(167)	(233)							
Cash flow from financing activities	26 338	19 649	26 573	26 588	26 588	26 588	25 917	23 937	295 284
Other	26 338	19 649	26 573	26 588	26 588	26 588	25 917	23 937	295 284
Net increase / (decrease) in cash and cash equivalents	28 194	19 539	26 268	26 588	26 588	26 588	25 917	23 937	295 284
Balance Sheet Data									
Carrying Value of Assets	4 744	3 596	2 863	2 202	2 202	2 202	2 312	2 446	2 446
Other Structures (Infrastructure Assets)	1 825	1 454	1 083	360	360	360	378	400	400
Computer equipment	673	488	375	623	623	623	654	692	692
Furniture and Office equipment	1 352	1 048	986	309	309	309	324	343	343
Transport Assets	621	526	362	628	628	628	659	698	698
Computer Software	273	80	57	282	282	282	296	313	313
Investments	24 830	27 207	29 324	19 970	19 970	19 970	20 970	22 186	22 186
Floating	24 830	27 207	29 324	19 970	19 970	19 970	20 970	22 186	22 186
Cash and Cash Equivalents	218 133	19 541	26 268	12 805	12 805	12 805	13 445	14 225	14 225
Bank	204 234	419		12 800	12 800	12 800	13 440	14 220	14 220
Cash on Hand				5	5	5	5	6	6
Other	13 899	19 122	26 268						
Receivables and Prepayments	9 407	5 126	7 686	3 440	3 440	3 440	3 612	3 821	3 821
Trade Receivables	4 344	112	3 049	2 010	2 010	2 010	2 111	2 233	2 233
Other Receivables		543	543						
Prepaid Expenses	5 063	4 471	4 094	1 430	1 430	1 430	1 502	1 589	1 589
Total Assets	257 114	55 470	66 141	38 417	38 417	38 417	40 339	42 678	42 678
Capital and Reserves	32 924	35 253	44 920	48 644	40 389	40 389	34 755	36 771	36 771
Accumulated Reserves	34 041	32 925	35 599	33 100	33 100	33 100	34 755	36 771	36 771
Surplus / (Deficit)	(1 117)	2 328	9 321	15 544	7 289	7 289			
Post Retirement Benefits	3 028	2 447	2 807	2 995	2 995	2 995	3 145	3 327	3 327
Present value of Funded obligations	3 028	2 447	2 807	2 995	2 995	2 995	3 145	3 327	3 327
Trade and Other Payables	210 770	3 034	2 608	252	252	252	265	280	280
Trade Payables	1 566	1 745	1 355	252	252	252	265	280	280
Other	209 204	1 289	1 253						
Deferred Income	9 474	14 736	15 806						
Provisions	918			520	520	520	546	578	578
Leave pay provision				520	520	520	546	578	578
Other	918								

Note: The Destination Marketing Organisation merged with the Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro) from 2012/13.

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Table A.3.2 Details on public entities – Name of Public Entity: Saldanha Bay IDZ Licencing Company (SOC) Ltd

R thousand	Audited outcome		Actual outcome	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term receipts estimate		
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19
Revenue									
Non-tax revenue		47 297	150 283	192 948	326 275	326 275	237 751	242 793	126 921
Sale of goods and services other than capital assets		397	22				1 238	9 400	20 900
Entity revenue other than sales			37	18 433	23 264	23 264	20 457	12 600	8 845
Transfers received		46 900	150 224	174 515	303 011	303 011	216 056	220 793	97 176
Total revenue		47 297	150 283	192 948	326 275	326 275	237 751	242 793	126 921
Expenses									
Current expense		21 535	31 697	57 583	50 092	50 092	58 020	56 254	61 980
Compensation of employees		11 777	17 244	21 036	19 661	19 661	23 742	25 374	28 144
Goods and services		9 758	14 453	36 547	30 431	30 431	34 278	30 880	33 836
Payments for capital assets		21 103	119 569	135 365	276 183	276 183	179 731	186 539	64 941
Total expenses		42 638	151 266	192 948	326 275	326 275	237 751	242 793	126 921
Surplus / (Deficit)		4 659	(983)						
Capital expenditure		(662)	822						
Surplus/(deficit) after adjustments¹		3 997	(161)						
Cash flow from investing activities		(17 732)	(98 765)	(228 398)		(276 407)	(179 731)	(186 539)	(64 941)
Acquisition of Assets		(17 732)	(98 765)	(228 398)		(276 407)	(179 731)	(186 539)	(64 941)
Dwellings		(942)	(314)			(100 000)			
Other Structures (Infrastructure Assets)		(14 762)	(97 583)	(227 809)		(175 511)	(179 100)	(185 861)	(64 189)
Computer equipment		(627)	(452)	(250)		(270)	(631)	(678)	(752)
Furniture and Office equipment		(541)	(257)	(100)		(472)			
Other Machinery and equipment		(62)	(159)	(139)		(54)			
Transport Assets		(136)							
Computer Software		(662)		(100)		(100)			
Net increase / (decrease) in cash and cash equivalents		(17 732)	(98 765)	(228 398)		(276 407)	(179 731)	(186 539)	(64 941)
Balance Sheet Data									
Carrying Value of Assets		21 378	140 064	368 380		316 082	495 182	681 043	745 232
Dwellings		894	7 467	7 467		7 467	7 467	7 467	7 467
Other Structures (Infrastructure Assets)		18 776	130 652	358 461		306 163	485 263	671 124	735 313
Computer equipment		447	616	866		866	866	866	866
Furniture and Office equipment		552	725	825		825	825	825	825
Other Machinery and equipment		73	204	343		343	343	343	343
Transport Assets		109	82						
Computer Software		527	318	418		418	418	418	418
Cash and Cash Equivalents		322 067	314 050						
Bank		322 067	314 050						
Receivables and Prepayments		1 243	2 534						
Other Receivables		777	843						
Prepaid Expenses		466	1 691						
Total Assets		344 688	456 648	368 380		316 082	495 182	681 043	745 232
Capital and Reserves		25 762	140 383	368 380		316 082	495 182	681 043	746 043
Accumulated Reserves		21 103	141 366	368 380		316 082	495 182	681 043	746 043
Surplus / (Deficit)		4 659	(983)						
Trade and Other Payables		1 930	23 363						
Trade Payables		1 546	22 873						
Other		384	490						
Deferred Income		317 774	288 332						
Provisions		3 219	4 409						
Leave pay provision		653	822						
Other		2 566	3 587						

Table A.4 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate		
	Audited	Audited	Audited				% Change from Revised estimate		
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19
Total departmental transfers/grants									
Category A	2 350	500							
City of Cape Town	2 350	500							
Category B	2 800								
Saldanha Bay	2 800								
Total transfers to local government	5 150	500							

Table A.4.1 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate		
	Audited	Audited	Audited				% Change from Revised estimate		
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19
Connected Communities	2 350	500							
Category A	2 350	500							
City of Cape Town	2 350	500							

Table A.4.2 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate		
	Audited	Audited	Audited				% Change from Revised estimate		
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19
Saldanha Bay Wireless Mesh	2 800								
Category B	2 800								
Saldanha Bay	2 800								

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Table A.5 Provincial payments and estimates by district and local municipality

Municipalities R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate	2017/18	2018/19	2019/20
	2013/14	2014/15	2015/16							
Cape Town Metro	290 048	402 670	342 623	430 294	516 791	516 791	304 199	(41.14)	310 894	329 432
West Coast Municipalities	19 737	40 739	28 484	29 824	29 824	29 824	88 376	196.33	85 146	80 876
Saldanha Bay	2 800	500					55 956		50 931	44 987
Across wards and municipal projects	16 937	40 239	28 484	29 824	29 824	29 824	32 420	8.70	34 215	35 889
Cape Winelands Municipalities	6 346	6 346	4 718	6 346	6 346	6 346	6 808	7.28	7 208	7 625
Across wards and municipal projects	6 346	6 346	4 718	6 346	6 346	6 346	6 808	7.28	7 208	7 625
Overberg Municipalities	6 346	6 346	5 870	6 500	6 500	6 500	6 500		6 877	7 262
Across wards and municipal projects	6 346	6 346	5 870	6 500	6 500	6 500	6 500		6 877	7 262
Eden Municipalities	7 805	7 805	6 179	7 805	7 805	7 805	15 462	98.10	15 956	16 464
Across wards and municipal projects	7 805	7 805	6 179	7 805	7 805	7 805	15 462	98.10	15 956	16 464
Central Karoo Municipalities	6 000	6 000	6 000	6 000	6 000	6 000	6 000		6 348	6 703
Across wards and municipal projects	6 000	6 000	6 000	6 000	6 000	6 000	6 000		6 348	6 703
Total provincial expenditure by district and local municipality	336 282	469 906	393 874	486 769	573 266	573 266	427 345	(25.45)	432 429	448 362

Table A.5.1 Provincial payments and estimates by district and local municipality – Programme 1: Administration

Municipalities R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate	2017/18	2018/19	2019/20
	2013/14	2014/15	2015/16							
Cape Town Metro	33 249	35 529	40 330	49 919	52 314	52 314	61 046	16.69	67 458	69 874
Total provincial expenditure by district and local municipality	33 249	35 529	40 330	49 919	52 314	52 314	61 046	16.69	67 458	69 874

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Table A.5.2 Provincial payments and estimates by district and local municipality – Programme 2: Integrated Economic Development Services

Municipalities R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Cape Town Metro	13 355	32 772	31 035	14 287	13 159	13 159	10 522	(20.04)	10 573	11 595
West Coast Municipalities	10 155									
Across wards and municipal projects	10 155									
Cape Winelands Municipalities	6 346	6 346	4 718	6 346	6 346	6 346	6 346		6 714	7 090
Across wards and municipal projects	6 346	6 346	4 718	6 346	6 346	6 346	6 346		6 714	7 090
Overberg Municipalities	6 346	6 346	5 870	6 500	6 500	6 500	6 500		6 877	7 262
Across wards and municipal projects	6 346	6 346	5 870	6 500	6 500	6 500	6 500		6 877	7 262
Eden Municipalities	7 805	7 805	6 179	7 805	7 805	7 805	7 805		8 258	8 720
Across wards and municipal projects	7 805	7 805	6 179	7 805	7 805	7 805	7 805		8 258	8 720
Central Karoo Municipalities	6 000	6 000	6 000	6 000	6 000	6 000	6 000		6 348	6 703
Across wards and municipal projects	6 000	6 000	6 000	6 000	6 000	6 000	6 000		6 348	6 703
Total provincial expenditure by district and local municipality	50 007	59 269	53 802	40 938	39 810	39 810	37 173	(6.62)	38 770	41 370

Table A.5.3 Provincial payments and estimates by district and local municipality – Programme 3: Trade and Sector Development

Municipalities R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Cape Town Metro	59 883	40 282	29 179	29 762	29 448	29 448	21 014	(28.64)	16 569	17 337
West Coast Municipalities	9 582	30 966	28 484	29 824	29 824	29 824	30 420	2.00	32 215	33 889
Saldanha Bay	2 800	500								
Across wards and municipal projects	6 782	30 466	28 484	29 824	29 824	29 824	30 420	2.00	32 215	33 889
Total provincial expenditure by district and local municipality	69 465	71 248	57 663	59 586	59 272	59 272	51 434	(13.22)	48 784	51 226

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Table A.5.4 Provincial payments and estimates by district and local municipality – Programme 4: Business Regulation and Governance

Municipalities R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Cape Town Metro	10 384	10 021	10 868	11 311	10 911	10 911	10 950	0.36	11 795	12 642
Cape Winelands Municipalities							462		494	535
Across wards and municipal projects							462		494	535
Eden Municipalities							507		548	594
Across wards and municipal projects							507		548	594
Total provincial expenditure by district and local municipality	10 384	10 021	10 868	11 311	10 911	10 911	11 919	9.24	12 837	13 771

Table A.5.5 Provincial payments and estimates by district and local municipality – Programme 5: Economic Planning

Municipalities R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Cape Town Metro	89 465	205 725	138 785	215 185	298 347	298 347	98 075	(67.13)	100 425	106 741
West Coast Municipalities							47 956		42 931	36 987
Saldanha Bay							46 956		41 931	35 987
Across wards and municipal projects							1 000		1 000	1 000
Total provincial expenditure by district and local municipality	89 465	205 725	138 785	215 185	298 347	298 347	146 031	(51.05)	143 356	143 728

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Table A.5.6 Provincial payments and estimates by district and local municipality – Programme 6: Tourism Arts and Entertainment

Municipalities R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Cape Town Metro	47 554	45 099	39 882	46 588	49 810	49 810	48 356	(2.92)	49 987	53 223
West Coast Municipalities							1 000		1 000	1 000
Across wards and municipal projects							1 000		1 000	1 000
Eden Municipalities							7 150		7 150	7 150
Across wards and municipal projects							7 150		7 150	7 150
Total provincial expenditure by district and local municipality	47 554	45 099	39 882	46 588	49 810	49 810	56 506	13.44	58 137	61 373

Table A.5.7 Provincial payments and estimates by district and local municipality – Programme 7: Skills Development and Innovation

Municipalities R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2013/14	2014/15	2015/16				2017/18	2016/17	2018/19	2019/20
Cape Town Metro	36 158	33 242	52 544	63 242	62 802	62 802	54 236	(13.64)	54 087	58 020
West Coast Municipalities		9 773					9 000		9 000	9 000
Saldanha Bay							9 000		9 000	9 000
Across wards and municipal projects		9 773								
Total provincial expenditure by district and local municipality	36 158	43 015	52 544	63 242	62 802	62 802	63 236	0.69	63 087	67 020