

Vote 12

Department of Economic Development and Tourism

	2006/07 To be appropriated	2007/08	2008/09
MTEF allocations	R 188 433 000	R 206 709 000	R 214 749 000
Responsible MEC	Provincial Minister of Environment, Planning and Economic Development		
Administering Department	Provincial Minister of Finance and Tourism Department of Economic Development and Tourism		
Accounting Officer	Head of Department, Economic Development and Tourism		

1. Overview

Core functions and responsibilities

To **grow** the economy in a sustainable manner, for the benefit of all who make the Western Cape their home.

To create **employment**, especially for the presently unemployed.

To make **ownership** of the economy representative of the demography of the Province.

To increase levels of **participation** in the economy by all, especially by the previously excluded and presently marginalised.

To make citizens and their enterprises effective players in the **global** economy.

To create a fair, effective and conducive **business environment** for enterprises and consumers.

Vision

The Department's vision is encapsulated in the vision of the National Growth and Development Strategy, the Home for All vision and the strategy of iKapa Elihlumayo. In essence the Department's vision is one of a shared, sustainable, growing, labour-absorbing, and globally competitive economy.

Mission

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

Main services

As the lead agent, the Department is responsible for the development of the Western Cape Micro-economic Development Strategy (MEDS). The aim of the MEDS is not only a snap-shot of the economy at any given moment, but rather a long term process in which sector evaluations, data and analysis are constantly updated and expanded in

perpetuity thereby guaranteeing a sound basis for decision making on programmes and interventions undertaken to influence and develop both sectors and themes in the Western Cape economy.

Demands and changes in service

The 2005/06 financial year saw further refinement of the Department's structure to better align itself to deliver on the prioritised interventions as set out in the Micro-economic Development Strategy (MEDS).

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 are mentioned:

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

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

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

To establish the Western Cape Investment and Trade Promotion Agency (Wesgro).

Liquor Act, 1989 (Act 27 of 1989)

The Liquor Act, No 27 of 1989 will, when the national Liquor Act, No 23 of 2003 comes into effect during the 2004/05 financial years, become the default provincial legislation that will regulate the retail and micro manufacturing sector of the liquor industry until replaced by the proposed provincial liquor legislation.

Liquor Act, 2003 (Act 59 of 2003)

The Liquor Act, No 59 of 2003 came into effect on 13 August 2004 and replaced the current Liquor Act, No 27 of 1989 for national functions while retaining it as transitional measure for provincial functions. It introduces a three tier system into the liquor industry and regulates the manufacturing and distribution tier. It provides for the devolution of functions relating to the distribution tier to the Provincial Minister and it requires the Provincial Liquor Licensing Authority to provide it with statistical information relating to the retail and micro-manufacturing tier.

Businesses Act, 1991 (Act 71 of 1991)

The Businesses Act is assigned national legislation that provides for the regulation of informal trading by municipalities, subject to monitoring of the relevant bylaws by the Provincial Minister. It further provides that the Provincial Minister may act as an appeal authority in instances where municipalities refuse applications by certain types of businesses for licenses to trade.

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

To establish a legislative framework for the promotion of black economic empowerment; to empower the Minister to issue codes of good practice, to publish transformation charters; to establish the Black Economic Empowerment Advisory Council; and to provide matters connected therewith.

Small Business Amendment Bill, 2004

To amend the National Small Business Act, 1996, so as to repeal all provisions pertaining to the Ntsika Enterprise Promotion Agency (Ntsika); to provide for the establishment of the Small Enterprise Development Agency (SEDA) and to make provision for the incorporation of Ntsika, Namac and any other designated institution into the agency.

Municipal Systems Act, 2000 (Act 32 of 2000)

To provide core principles, mechanisms and processes to enable municipalities to move progressively towards social and economic upliftment of communities and to ensure access to essential and affordable services.

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

It is expected that the regulations applicable to the legislation will be completed and that the legislation will come into effect in the 2005/06 financial year.

The National Integrated Manufacturing Strategy (NIMS)

A technologically advanced national approach implemented through the Department of Trade and Industry aimed at bringing together all role players in the industry to develop a collective vision with the purpose of ensuring sustainable development and growth and that technological resources are developed, focused and utilised proficiently.

The Advanced Manufacturing and Technological Strategy (AMTS)

A technologically advanced provincial policy in line with iKapa Elihlumayo principles and the Department's strategic priorities which will concentrate more on sector-based initiatives rather than the broad-based IMS. These initiatives will be implemented through the Council for Scientific and Industrial Research (CSIR).

The Integrated Tourism Development Framework (ITDF)

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

National Tourism Second Amendment Act, 2000 (Act 70 of 2000)

To amend the Tourism Act, 1993. Provisions in the Act include further training and registration of tourist guides, a code of conduct and ethics for tourist guides, procedures to lodging complaints and disciplinary measures.

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

To provide for the establishment of the Destination Marketing Organisation (DMO).

White Paper on Sustainable Tourism Development and Promotion (2001)

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

Budget decisions

The Department of Economic Development & Tourism is placed extraordinarily well at the outset of the 2006/2009 MTEF planning cycle to be able to offer evidence-based and analysis-based policy options and to develop focused interventions to give effect to the national priorities.

The proposed interventions of the MEDS have been prioritised. The sectors have been prioritised into three tiers and the themes into two.

The priorities of the top tiers are:

Sectors:

Call centers and Business Processing Outsourcing (BPO)

Tourism

Oil and Gas Industry Supply and Service hub

Information and Communication Technology (ICT)

Agriculture

Themes:

Enterprise Development

Workforce Development

2. Review 2005/06

With 9 Real Economic Development (RED) Door Offices opened since the inception of the RED Intervention Strategy, the programme's major focus was on the consolidation of these one stop shops single access point for SMME, to ensure their sustainability.

As part of the RED Intervention Strategy, the 1 000 x 1 000 business challenge was run. This challenge's main aim was to raise awareness among previously disadvantaged individuals about job creation through the establishment of SMME's. The challenge is accompanied by an intensive business coaching and monitoring programme. It is intended that the RED doors will further assist the 1 000 new entrepreneurs coming through this challenge.

The Department was also instrumental in the hosting of the Small Business Week in October 2005. The event offered real opportunities and value adding services to small businesses and secured major buy in from Provincial and Local Government and the corporate sector. Attendance of the weeklong event exceeded the 2 000 entrepreneurs and small business of the previous financial year.

The Department continued their support for the Economic Development Units (EDU's) established in all 5-district municipalities with funding being provided in October 2005. The funding provided is instrumental in ensuring success in the IDP process.

Progress in terms of the development of a comprehensive and inclusive BBBEE policy and strategy took a major step forward in June 2005 with the province hosting a National BBBEE conference. The conference was attended by in excess of 1000 delegates from Government, NGO's and Industry.

Human Resource Development in the Province took a major step forward with the continued support for the Learning Cape Festival in 2005.

To further the linking of academia and industry in the Western Cape to re-engineer its learning capacity to best meet the needs of a vibrant economy that is able to learn and grow, the department has supported a new initiative to support a body called Cape Initiative in Material and Manufacturing (CIMM).

Liquor regulation in the Province received a major boost this year with the Provincial Cabinet approving the draft liquor policy. This approval paved the way for the enactment of the new Provincial Liquor Bill to be approved in the new financial year. Further achievements this year includes the provision of training to all liquor license holders and the furthering of the awareness campaign in the dangers of Fetal Alcohol Syndrome.

Support of Consumer Protection once again received attention with the continued support for the advice offices in the Western Cape. Currently, there are 38 Consumer Advice Offices being supported within the Western Cape.

The evidence and analysis-based interventions in the province's economy received a major boost with the publishing of the first MEDS Synthesis report in July 2005. At present the MEDS consists of two major components:

Some 42 research papers, covering 14 sectors in the economy and 4 major cross-cutting themes, in which researchers were asked, inter alia, to offer sector-based or theme-based recommendations to influence the trajectory of the Western Cape economy positively and significantly.

A report by a high-level oversight committee that commented on the researchers recommendations, synthesised their collective findings into a coherent whole analysis of the economic potential and outlook and attempted to prioritise the interventions which Provincial Government should make in order to achieve maximum growth and job-creation in the medium term.

With the publishing of the report, the department can now focus its attentions to developing a clearer understanding of the economy and thereby develop informed interventions into the various sectors of the economy.

3. Outlook for 2006/07

This year sees the commencement of the implementation of the Micro-economic Development Strategy (MEDS) 10 year implementation Strategy.

This will be the touchstone for the medium-term imperatives.

By confining ourselves to the pre-determined MTEF allocations, we will prioritise our interventions while making the following assumptions:

If we want jobs in new enterprises to be sustainable, we need to strengthen and expand enterprises and constantly improve the skills of the workforce.

Significantly accelerated and effective provision of appropriate skills at the FET and tertiary level in sectors in which job-creating growth is possible.

If we want to create jobs, we must proliferate enterprises.

If we want to proliferate enterprises, we must develop new business opportunities in sectors. If we want to develop new business opportunities in sectors, we must act to strengthen and expand sectors. If we want to strengthen and expand sectors, we need the MEDS.

Major interventions in the following sectors: Business Process Outsourcing, Tourism, ICT and the metals and engineering component of producing for and servicing the West African Oil & Gas Exploration and Production Industry.

Catalytic, but smaller-scale, interventions in other sectors like agribusiness, cultural industries, crafts, film, clothing & textiles, fishing and metals & engineering (specifically ship-building and repair, boatbuilding, tool-making).

If we want to accelerate the growth of jobs in particular municipalities, we must have a well-resourced, well-informed mechanism in municipalities to facilitate the proliferation of enterprises on the ground. The following

mechanisms and institutions will facilitate the proliferation of enterprises and jobs on the ground in all municipalities: The MEDS, Die Plek Plan, The Enterprise Shop and The RED Initiative.

Deepen the quality and variety of services and access to finance to small, micro and survivalist businesses and potential businesses, particularly for the previously excluded and the presently marginalised, through our RED Initiative.

Set in place a programme for accelerating Local Economic Development (rooted in the MEDS) called Die Plek Plan in which we will place well-informed and well-supported economic development agents on the ground in municipalities to work with local authorities to identify and fast-track economic growth opportunities, particularly for the previously excluded and currently marginalised.

The Department intends to engage with all higher education institutions, research institutions and social partners in the Province to reach a consensus on the way forward around issues of competitiveness and regional innovation.

In the absence of an efficient mechanism to support small business growth and development, the Western Cape government embarked upon the establishment of the RED Door programme – a flagship project of the Department through which the core elements of effective small business strategy is propelled.

It was initially the target to rollout 35 RED Door offices across the province over a period of 3 years. The Department has gone through a steep learning process over the past 8 months with the establishment of RED Doors. The programme has been refocused and the initial goal of 35 centres does not appear feasible. Rather, the RED Door needs to consolidate and strengthen that which currently exists. The target is that 2 RED Door centres and 2 additional mobile offices will be opened in the financial year 2006/07 making the total number of Red Door centres 12.

In promoting LED in the province, the Department has a three pronged vision /strategic objectives on which its service delivery is based:

Ensuring that an effective environment is in place for the promotion of economic development to support local economies.

Increase the spread of economic activity across the province to have a visible impact on unemployment and poverty.

Successful contribute to greater coherence and consistency in service delivery.

The structured rollout of Die Plek Plan and the efficiency of the Economic Development Units are key interventions to ensure that a foundation for the promotion of economic development in local areas is in place and efficient. This unit envisages to roll out the program so that 70 per cent of municipalities will have access to fully functional Die Plek Plan units in a period of five years, while in the subsequent 5 years each and every municipality would have taken full ownership of Die Plek Plan.

A comprehensive Broad Based Black Economic Empowerment (BBBEE) implementation plan will be released in early 2006.

This year should see the enactment of the new Provincial Liquor Bill. The enactment of this legislation will provide the first step towards the Liquor Board being established as a fully-fledged and independent public entity.

The Department will also be furthering its support for the existing consumer advice offices in the Western Cape. A major boost will be the piloting of the first district offices of the department in the various outlying regions of the Western Cape.

4. Receipts and financing

Table 4.1 hereunder gives the sources of funding for the vote.

Table 4.1 Summary of receipts

Receipts R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate				
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate				
							2006/07	2005/06	2007/08	2008/09	
Treasury funding											
Equitable share	138 922	118 715	120 502	116 148	118 405	118 405	168 433	42.25	187 709	195 749	
Financing				20 000	20 000	20 000	5 000	(75.00)			
Total Treasury funding	138 922	118 715	120 502	136 148	138 405	138 405	173 433	25.31	187 709	195 749	
Departmental receipts											
Tax receipts	3 388	3 681	3 781	8 730	3 730	3 692	14 730	298.97	18 730	18 730	
Sales of goods and services other than capital assets	312	359	284	270	270	266	270	1.50	270	270	
Interest, dividends and rent on land			2								
Sales of capital assets			15								
Financial transactions in assets and liabilities			1 855			42		(100.00)			
Total departmental receipts	3 700	4 040	5 937	9 000	4 000	4 000	15 000	275.00	19 000	19 000	
Total receipts	142 622	122 755	126 439	145 148	142 405	142 405	188 433	32.32	206 709	214 749	

5. Payment summary

Key Assumptions

Since the foundation of this Department's budget, our key assumptions are taken from the overarching strategy of the MEDS. These assumptions can be translated into the following:

If we want to create jobs, we must proliferate enterprises.

If we want to proliferate enterprises, we must develop new business opportunities in sectors. If we want to develop new business opportunities in sectors, we must act to strengthen and expand sectors. If we want to strengthen and expand sectors, we need **The MEDS**

If we want to develop new business opportunities in sectors, we can also develop new sectors, sub-sectors and niche opportunities. If we want to develop new sectors, sub-sectors and niche business opportunities, we need a **Global Business Intelligence Unit**, which gleans information, converts this into intelligence and articulates new business opportunities;

If we want to accelerate the growth of jobs in particular municipalities, we must have a well-resourced, well-informed mechanism in municipalities to facilitate the proliferation of enterprises on the ground. The following mechanisms and institutions will facilitate the proliferation of enterprises and jobs on the ground in all municipalities: **The MEDS, Die Plek Plan, The Enterprise Shop** and **The RED Initiative**; and

If we want jobs in new enterprises to be sustainable, we need to strengthen and expand enterprises and constantly improve the skills of the workforce

Programme summary

Table 5.1 below shows the budget or estimated expenditure per programme and Table 5.2 per economic classification (in summary). Details of the Government Financial Statistics (GFS) economic classifications are attached as an annexure to this vote.

Table 5.1 Summary of payments and estimates

Programme R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
1. Administration	3 614	10 997	14 890	18 120	18 120	18 144	28 502	57.09	29 336	30 813
2. Economic participation	16 182	42 690	40 830	33 989	36 246	38 969	49 594	27.27	52 251	54 602
3. Fair Business Environment		7 741	9 790	10 329	10 329	8 931	15 180	69.97	16 341	17 593
4. Economic Sector Development		36 879	34 466	47 661	42 701	41 383	51 020	23.29	64 158	64 808
5. Tourism	122 826	24 448	26 463	35 049	35 009	34 978	44 137	26.19	44 623	46 933
Total payments and estimates	142 622	122 755	126 439	145 148	142 405	142 405	188 433	32.32	206 709	214 749

Table 5.2 Summary of provincial payments and estimates by economic classification

Economic classification R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments	16 006	35 028	45 417	64 807	59 552	59 462	102 648	72.63	124 450	131 490
Compensation of employees	11 348	14 678	22 182	37 683	36 693	28 869	45 093	56.20	47 839	50 109
Goods and services	4 656	20 350	23 188	27 124	22 859	30 584	57 555	88.19	76 611	81 381
Financial transactions in assets and liabilities	2		47			9		(100.00)		
Transfers and subsidies to	126 561	84 784	79 495	80 141	82 653	82 478	85 285	3.40	82 259	83 259
Provinces and municipalities	4 364	4 731	2 565	1 969	1 967	1 948	513	(73.67)		
Departmental agencies and accounts	6 340	29 802	52 232	49 650	45 350	45 350	40 583	(10.51)	38 570	39 570
Universities and technikons			550				480		480	480
Public corporations and private enterprises	750	4 250	17 330	15 300	18 400	18 400	20 100	9.24	20 100	20 100
Non-profit institutions	115 107	46 001	6 818	13 222	16 936	16 780	23 609	40.70	23 109	23 109
Payments for capital assets	55	2 943	1 527	200	200	465	500	7.53		
Machinery and equipment	55	2 943	1 527	200	200	465	500	7.53		
Total economic classification	142 622	122 755	126 439	145 148	142 405	142 405	188 433	32.32	206 709	214 749

Transfers to public entities

Table 5.3 Summary of departmental transfers to public entities

Public entities R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Western Cape trade and Investment Promotional Agency (Wesgro)		7 461	31 700	23 800	19 500	19 500	9 000	(53.85)	9 000	9 000
Destination Marketing Organization (Western Cape Tourism)	6 340	14 741	20 532	25 850	25 850	25 850	26 570	2.79	24 570	25 570
Casidra (Pty) Ltd	750	4 250	17 250	15 300	18 400	18 400	20 100	9.24	20 100	20 100
Council for Scientific and Industrial Research		7 600					5 000		5 000	5 000
Total departmental transfers to public entities	7 090	34 052	69 482	64 950	63 750	63 750	60 670	(4.83)	58 670	59 670

Transfers to local government

Table 5.4 Summary of departmental transfers to local government by category

Departmental transfers R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Category A		2 200	200	200	200	200		(100.00)		
Category C	4 364	2 505	2 310	1 650	1 650	1 650	491	(70.24)		
Total departmental transfers to local government	4 364	4 705	2 510	1 850	1 850	1 850	491	(73.46)		

Note: Excludes regional services council levy.

Departmental Public-Private Partnership (PPP) projects

Table 5.5 Summary of departmental Public-Private Partnership projects - None

6. Programme Description

Programme 1: Administration

Purpose: To conduct the overall management and administrative support to the Department and respective branches within the department, and to provide economic statistics and research to inform policy development.

Analysis per sub-programme

Sub-programme 1.1: Management administration

to conduct the overall management and administrative support to the programme and department

Sub-programme 1.2: Corporate services

ensuring effective financial management

management of human resources and administrative support services

Sub-programme 1.3: Delivery enabling services

management of research and policy development within the department

management of communications and corporate image

promotion of economic development and capacity building

Policy developments:

The key points emerging from this programme include:

increasing capacity to best meet the demands of the reprioritised department and its structures

increased focus on delivery and performance of the department, and

the provision of a coherent and integrated management, administrative and support function to the department.

Expenditure trends analysis:

The programme expenditure has increased by 57,09 per cent or R10,358 million in the 2006/07 financial year from the 2005/06 financial year. The primary reasons that can be attributed to this sharp increase is due to the increase in staff capacity and the management and oversight of the MEDS Intervention strategy processes.

Table 6.1 Summary of payments and estimates – Programme 1: Administration

Sub-programme R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate		2006/07	2007/08
1. Management Administration				2 931	2 931	4 123	6 151	49.19	5 814	6 596
2. Corporate Services	3 614	8 977	10 774	9 954	9 954	8 687	15 160	(17.22)	15 948	16 456
3. Delivery enabling services		2 020	4 116	5 235	5 235	5 334	7 191	(100.00)	7 574	7 761
Total payments and estimates	3 614	10 997	14 890	18 120	18 120	18 144	28 502	57.09	29 336	30 813

Table 6.1.1 Summary of provincial payments and estimates by economic classification – Programme 1: Administration

Economic classification R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments	3 584	9 538	12 034	18 030	17 980	17 730	28 389	60.12	29 336	30 813
Compensation of employees	2 989	5 017	6 306	13 130	13 130	10 233	15 202	48.56	15 836	16 613
Goods and services	593	4 521	5 681	4 900	4 850	7 496	13 187	75.92	13 500	14 200
Financial transactions in assets and liabilities	2		47			1		(100.00)		
Transfers and subsidies to			2 258	40	90	82	13	(84.15)		
Provinces and municipalities				40	40	32		(100.00)		
Departmental agencies and accounts			500				13			
Non-profit institutions			1 758		50	50		(100.00)		
Payments for capital assets	30	1 459	598	50	50	332	100	(69.88)		
Machinery and equipment	30	1 459	598	50	50	332	100	(69.88)		
Total economic classification	3 614	10 997	14 890	18 120	18 120	18 144	28 502	57.09	29 336	30 813

Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Transfers and subsidies to (Current)			2 258	80	90	114	13	(88.60)		
Provinces and municipalities				40	40	32		(100.00)		
Municipalities				40	40	32		(100.00)		
Municipalities <i>of which</i>				40	40	32		(100.00)		
Regional services council levies				40		32				
Departmental agencies and accounts			500				13			
Social security funds							13			
Provide list of entities receiving transfers			500							
Western Cape Trade and Investment Promotion Agency			500							
Non-profit institutions			1 758		50	50		(100.00)		

Programme 2: Economic Participation

Purpose: To improve the economy and to entrench the participation of Historically Disadvantaged Individuals (HDIs) through enterprise development, local economic development and economic empowerment.

Analysis per sub-programme

Sub-programme 2.1: Economic participation: Management

to conduct the overall management and administrative support to the Programme

Sub-programme 2.2: Enterprise development

to contribute to an environment that is conducive to the stimulation of entrepreneurship and the development, establishment, growth and support of SMME's

Sub-programme 2.3: Local economic development

to establish effective relationships at local (municipal) level

to promote increased spread of targeted economic activity

to ensure that citizens of the province are fully informed of the offerings of all 3 spheres of government

Sub-programme 2.4: Economic empowerment

to provide strategic direction for empowerment and transformation of the Western Cape's economy

Policy developments:

The key points emerging from this programme include:

The main aim of Enterprise Development is to create and maintain an environment conducive to the development and growth of small, medium and micro enterprises (SMMEs), both formal and informal. This will be accomplished through:

the promotion of access to information, opportunities and resources;

the co-ordination of a reliable network of competent small business support service providers; and

the stimulation of an entrepreneurial culture amongst the people of the Western Cape.

The main thrust of the component's interventions will be the establishment of a number of conveniently located one-stop-shop advice and business support centres across the province.

In the promotion of Local Economic Development, the Department is committed to providing a coherent and integrated framework, and creating an environment in which an effective support program is in place for economic development in local economies, there is an increased spread of economic activity and the successful contribution to greater coherence and consistency in service delivery in the province.

The three main documents, strategies and agreements that will be informing the objectives, strategies and activities of Economic Empowerment are the National Broad-Based Black Economic Empowerment Strategy, the Provincial Micro-economic Development Strategy (MEDS) and the Provincial Growth and Development Summit Framework Agreement.

The unit's interventions will be guided by the empowerment charters of especially, the "seven strategic economic industries". These are the industries that government has encouraged to have empowerment charters because it views them as priority sectors that have a strategic influence in the country and could have a significant impact in the transformation of the economy.

Expenditure trends analysis:

Since the establishment of this programme, the primary aim has been to increase the number of enterprises in the economy. To this end, the budgeted allocation for the programme has increased significantly from R38,969 million in 2005/06 financial year to R49,594 million in 2006/07. The main contributors to this increase of 27,27 per cent is the consolidation of the existing RED Doors as well as the launch of additional RED Door offices throughout the Province and the establishment of Die Plek Plan offices.

Service delivery measures:**Programme 2: Economic Participation**

Sub-programme	Measurable objective	Performance measure	Output	Target (2006/07)
2.1 Economic participation: Management.				
2.2 Enterprise development.	To nurture and encourage entrepreneurship and create an environment that enhances the development and growth of small businesses.	Number of conveniently located SMME Support Service Centres.	3 SMME Support Service Centres assisting 1 000 entrepreneurs with advice, information, etc. 8 SMME Support Service Centres assisting 1 000 entrepreneurs with advice, information, etc.	3 SMME Support Service Centres assisting 1 000 entrepreneurs with advice, information, etc. 11 SMME Support Service Centres assisting 1 500 entrepreneurs with advice, information, etc.

Sub-programme	Measurable objective	Performance measure	Output	Target (2006/07)
	<p>To manage and co-ordinate a reliable support network and logistics system that ensures and underpins the effectiveness of all programmes and projects created and implemented by the Sub-programme.</p> <p>To ensure that business opportunities and enabling resources are available and accessible to small businesses.</p>	<p>Establishment and maintenance of a network of competent SMME support service providers.</p> <p>Number of small businesses assisted in accessing private and public sector procurement opportunities and inter-firm linkages.</p>	11 programmes assisting at least 300 SMME's.	<p>1 mobile/pilot satellite SMME Support Service Centre.</p> <p>Network of 250 service providers servicing the SMME needs of 11 SMME Support Centres.</p> <p>11 programmes assisting at least 300 SMME's.</p>
2.3 Local economic development.	Through the Plek Plan programme inform local LED strategies and plans (IDPs) that will guide and support the performance of local government in achieving increased economic participation.	<p>No of municipal economic profiles established.</p> <p>Number of matrix sheets populated and interventions/ or opportunities identified.</p> <p>No. of local municipal LED strategies supported and assisted with.</p>	<p>The first economic municipal baseline study completed for all municipalities to be used as inputs to the application of a "matrix" approach.</p> <p>All 30 municipalities informed as to the sector outcomes of the MEDS in order to contribute to the development of local matrices.</p>	<p>29 municipal economic profiles established that will inform municipal LED strategies and implementation plans.</p> <p>(Number of opportunities identified).</p>
2.4 Economic empowerment.	Provide a strategic framework for the promotion of Economic Empowerment in the Western Cape.	To give direction for the effective implementation of Economic Empowerment in the Western Cape.	Completion of strategy document.	Publish Strategy.

Table 6.2 Summary of payments and estimates – Programme 2: Economic Participation

Sub-programme R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate		2006/07	2007/08
1. Economic participation: Management		1 733	2 766	1 911	1 911	1 401	4 013	186.44	4 547	4 688
2. Enterprise development	16 182	30 548	17 098	22 610	24 867	26 669	30 646	14.91	31 306	33 234
3. Local economic development		9 234	8 941	6 223	6 223	6 431	13 345	107.51	13 655	13 771
4. Economic empowerment		1 175	12 025	3 245	3 245	4 468	1 590	(64.41)	2 743	2 909
Total payments and estimates	16 182	42 690	40 830	33 989	36 246	38 969	49 594	27.27	52 251	54 602

Earmarked allocation:

Included in sub-programme 2.2 "Enterprise development" is an earmarked allocation amounting to R8 843 000 (2006/07), R3 680 000 (2007/08) and R3 077 000 (2008/09) for the purpose of supporting the MEDS interventions.

Included in sub-programme 2.3 "Local economic development" is an earmarked allocation amounting to R5 000 000 (2006/07), R5 300 000 (2007/08) and R5 500 000 (2008/09) for the purpose of supporting the MEDS interventions.

Table 6.2.1 Summary of provincial payments and estimates by economic classification – Programme 2: Economic Participation

Economic classification R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments	9 806	5 296	8 484	16 659	16 216	18 945	25 685	35.58	28 451	30 802
Compensation of employees	6 195	2 222	4 417	9 481	9 481	7 005	8 494	21.26	9 532	10 002
Goods and services	3 611	3 074	4 067	7 178	6 735	11 940	17 191	43.98	18 919	20 800
Transfers and subsidies to	6 363	36 806	31 861	17 280	19 980	19 969	23 809	19.23	23 800	23 800
Provinces and municipalities	1 604	3 105	1 111	1 230	1 230	1 219	9	(99.26)		
Departmental agencies and accounts		7 250	10 000				5 000		5 000	5 000
Universities and technikons			200							
Public corporations and private enterprises	750	4 250	17 250	15 300	17 900	17 900	18 300	2.23	18 300	18 300
Non-profit institutions	4 009	22 201	3 300	750	850	850	500	(41.18)	500	500
Payments for capital assets	13	588	485	50	50	55	100	81.82		
Machinery and equipment	13	588	485	50	50	55	100	81.82		
Total economic classification	16 182	42 690	40 830	33 989	36 246	38 969	49 594	27.27	52 251	54 602

Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Transfers and subsidies to (Current)	6 363	36 806	31 861	17 280	19 980	19 969	23 809	19.23	23 800	23 800
Provinces and municipalities	1 604	3 105	1 111	1 230	1 230	1 219	9	(99.26)		
Municipalities	1 604	3 105	1 111	1 230	1 230	1 219	9	(99.26)		
Municipalities		5	11	30	30	19	9	(52.63)		
<i>of which</i>										
Regional services council levies		5	11	30	30	19	9			
Municipal agencies and funds	1 604	3 100	1 100	1 200	1 200	1 200		(100.00)		
Departmental agencies and accounts		7 250	10 000				5 000		5 000	5 000
Provide list of entities receiving transfers		7 250	10 000				5 000		5 000	5 000
Western Cape Trade and Investment Promotion Agency			10 000							
CSIR		7 250					5 000		5 000	5 000
Universities and technikons			200							
Public corporations and private enterprises	750	4 250	17 250	15 300	17 900	17 900	18 300	2.23	18 300	18 300
Public corporations	750	4 250	17 250	15 300	17 900	17 900	18 300	2.23	18 300	18 300
Other transfers	750	4 250	17 250	15 300	17 900	17 900	18 300	2.23	18 300	18 300
Non-profit institutions	4 009	22 201	3 300	750	850	850	500	(41.18)	500	500

Programme 3: Fair Business Environment

Purpose: To ensure an equitable, socially responsible business environment within the Western Cape.

Analysis Per Sub-Programme

Sub-programme 3.1: Management: Fair business environment

to conduct the overall management and administrative support to the Programme

Sub-programme 3.2: Office of the consumer protector

to develop, implement and promote measures that ensure consumer protection

Sub-programme 3.3: Western Cape Liquor Board

to provide and maintain an effective and efficient regulatory system for the liquor industry within the Western Cape in a manner that supports the achievement of equity, dignity and prosperity for the inhabitants of the Province.

to promote, develop and transform the liquor industry in a socially responsible manner

Policy developments

This programme's mandates are established as part of the concepts contained in iKapa Elihlumayo. These are reflected in the following manner:

To create a fair, effective and conducive business environment for enterprises and consumers. Most of the policies, legislative interventions and strategic interventions within this programme are within this objective of iKapa Elihlumayo. These include:

Provincial liquor policy and legislation

Consumer protection legislation

To create employment, especially for the presently unemployed, to make ownership of the economy representative of the demography of the Province and to increase levels of participation in the economy by all, especially by the previously excluded and presently marginalised;

The interventions within the liquor industry through entry of unlicensed liquor traders into the regulatory framework, efforts to transform the liquor manufacturing sector and efforts to ensure the entry of historically disadvantaged individuals within the tourist guide industry are aimed at participation in the economy.

To make citizens and their enterprises effective players in the global economy.

The support for the liquor industry development is seen as a strategic intervention to expand the competitiveness of the wine industry in its traditional and non-traditional export markets.

Expenditure trends analysis

The new liquor legislation is expected to be passed in the early part of the new financial year. The enactment of this legislation will pave the way for the Western Cape Liquor Board to become a fully independent and autonomous Public Entity of the Department. It is also expected that the Office of the Consumer Protector will expand its services in the Province by establishing its first regional office. These factors are amongst others leading to the increase of R6,249 million or 69,97 per cent in the allocated budget for 2006/07 from 2005/06.

Service delivery measures:

Programme 3: Fair business environment

Sub-programme	Measurable objective	Performance measure	Output	Target (2006/07)
3.2 Office of the consumer protector.	Implementation of existing provincial consumer protection legislation, including establishment of the Consumer Tribunal.	Fully operational Act and Consumer Tribunal.	Regulations to Act approved; additional staff approved and appointed; Tribunal members and staff trained; Consumer Tribunal commence operation.	Consumer Tribunal fully operational.

Sub-programme	Measurable objective	Performance measure	Output	Target (2006/07)
	<p>Provision and maintenance of effective and appropriate <u>internal</u> systems that enable consumers to lodge their complaints and queries with the OCP (walk-in facilities, call centre and correspondence tracking).</p> <p>Providing adequate infrastructure to agencies (advice offices) providing access on behalf of the OCP.</p>	<p>Provision and maintenance of effective and appropriate means that enable consumers to lodge their complaints and queries with the OCP.</p> <p>Well-equipped and resourced advice offices enjoying high level of recognition in communities.</p>	<p>Systems for effective, cost-efficient lodgement, receipt and management of consumer complaints installed and internal staff and those in pilot phase at advice offices trained in use thereof.</p> <p>Completion of roll-out of Providing the network of electronic complaints management system (ECMS) to all OCP-funded advice offices.</p> <p>Provision of appropriate training in its use to advice office staff.</p> <p>Branding: (location, logo(s) and furnishings) of the advice offices as a trusted, recognised service delivery point for consumers in province.</p>	<p>Complaints management system fully operational at OCP.</p> <p>Completion of process of refinement and enhancement.</p> <p>Number of complaints handled increased by 10% over Base Year.</p> <p>Increase number of complaints handled via ECMS by 25% on Base Year.</p> <p>Production of first annual report on advice office programme, including statistical report.</p> <p>Determine success of branding through independent survey, results to be used as baseline for further branding initiatives.</p>
3.3 Western Cape Liquor Board.	<p>Responsible Use Awareness and Education.</p> <p>Implementation of provincial liquor legislation and establishment and maintenance of subsequent structures.</p> <p>Conduct routine liquor inspections and investigations of as many licensed establishments as possible to ensure compliance with liquor laws and regulations.</p>	<p>Roll out of mandatory training programme.</p> <p>Support for projects that raises awareness of FAS in targeted areas.</p> <p>Fully operational structure in accordance with the legislation.</p> <p>Implementation of a structured inspection plan with priority areas and categories and measurable outcomes.</p>	<p>Curriculum developed.</p> <p>Finalisation of phase 2 of FAS Facts project, monitoring and evaluation.</p> <p>Liquor policy approved, legislative drafting process commenced.</p> <p>Increase the number of inspections to 200.</p>	<p>Training accredited and service providers identified & training of licence holders commenced.</p> <p>Roll out of project beyond Breede River Valley in Cape Winelands District Municipality.</p> <p>Liquor Board and administrative staff operational, Designated Police Officers and Municipal officials capacitated.</p> <p>Increase the number of inspections to 300.</p>

Table 6.3 Summary of payments and estimates – Programme 3: Fair business environment

Sub-programme R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
1. Management: Fair Business Environment		1 602	1 742	1 053	1 053	741	920	24.16	1 056	1 293
2. Office Of the Consumer		6 139	3 813	4 778	4 778	3 982	6 055	52.06	6 848	7 620
3. Western Cape Liquor Board			4 235	4 498	4 498	4 208	8 205	94.99	8 437	8 680
Total payments and estimates		7 741	9 790	10 329	10 329	8 931	15 180	69.97	16 341	17 593

Table 6.3.1 Summary of provincial payments and estimates by economic classification – Programme 3: Fair business environment

Economic classification R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments		7 382	9 527	9 637	9 637	8 239	13 826	67.81	15 091	16 343
Compensation of employees		2 525	5 711	6 250	6 250	4 852	8 330	71.68	8 741	9 093
Goods and services		4 857	3 816	3 387	3 387	3 387	5 496	62.27	6 350	7 250
Transfers and subsidies to		359	14	692	692	692	1 254	81.21	1 250	1 250
Provinces and municipalities		9	14	20	20	20	4	(80.00)		
Departmental agencies and accounts		350								
Non-profit institutions				672	672	672	1 250	86.01	1 250	1 250
Payments for capital assets			249				100			
Machinery and equipment			249				100			
Total economic classification		7 741	9 790	10 329	10 329	8 931	15 180	69.97	16 341	17 593

Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Transfers and subsidies to (Current)		359	14	692	692	692	1 254	81.21	1 250	1 250
Provinces and municipalities		9	14	20	20	20	4	(80.00)		
Municipalities		9	14	20	20	20	4	(80.00)		
Municipalities of which		9	14	20	20	20	4	(80.00)		
Regional services council levies		9	14	20	20	20	4			
Departmental agencies and accounts		350								
Provide list of entities receiving transfers		350								
CSIR		350								
Non-profit institutions				672	672	672	1 250	86.01	1 250	1 250

Programme 4: Economic Sector Development

Purpose: To develop and promote key industry sectors and identify and implement strategic interventions that will support citizens and their enterprises in becoming effective players in the global economy.

Analysis per sub-programme

Sub-programme 4.1: Management: Economic sector development

to conduct the overall management and administrative support to the Programme

Sub-programme 4.2: Industry development

to develop, promote and transform industry sectors that have a strong growth potential, through facilitating the establishment, funding and support of special purpose vehicles and the initiation and funding of key sectoral projects

Sub-programme 4.3: Strategic sector support

to develop mechanisms and fund interventions to improve the articulation between the current and the future demand for skills, and the supply of education and training

to identify and develop interventions to improve the adoption of ICT and e-commerce across all firms and to all citizens

to identify and develop programmes to promote innovative practises, and adoption of globally competitive technologies within firms and institutions

to develop programmes to drive productivity, growth and industrial upgrading within and across sectors

Sub-programme 4.4: Western Cape Trade and Promotion Agency (WESGRO)

to develop, promote and transform service sectors that have a strong growth potential, through facilitating the establishment, funding and support of special purpose vehicles and the initiation and funding of key sectoral projects

Policy developments

The main policy document informing the work of the programme is the Micro-economic Development Strategies (MEDS) at both a national and provincial level. The other important documents that will inform the activities of the directorate are the Integrated Manufacturing Strategy (IMS) and the Advance Manufacturing and Development Strategy (AMTS) that is being taken forward at a provincial level.

The broad approach will be developing the social capital of the sectors through the section 21 bodies, and utilising these structures to develop intervention strategies and projects to transform and develop the sectors. These will be monitored to examine impact, and ensure the appropriate allocation of resources.

The MEDS research, which informs the sector prioritisation within the programme has assessed and prioritised sectors in terms of the iKapa elihlumayo growth strategy and have evaluated sectors against two sets of criteria: (a) evaluation of the potential growth, employment expansion and BBBEE, and (b) the relative cost and likely impact of a combination of proposed interventions within the sector as a whole.

However, it has also been proven that sector strategies do not yield equity and participation outcomes without direct agendas that pre-determine efforts toward these outcomes. In other words, prioritisation of sectors according to their potential is not enough. The Department should also be active in determining and driving these goals within each sector.

Expenditure trends analysis

The allocated expenditure for the programme increased from R41,383 million in 2005/06 to R51,020 million in 2006/07 financial year. This increase represents an increase in allocated expenditure of 23,29 per cent or R9,637 million. The major contributing factors to this increase in allocated expenditure has been the additional funding received for interventions into the BPO and ICT sectors as well as additional allocations (obtained through re-prioritisation of funds within the Department) provided to further interventions identified through the MEDS intervention strategies.

Service delivery measures:

Programme 4: Economic Sector Development

Sub-programme	Measurable objective	Performance measure	Output	Target (2006/07)
4.2 Industry Development.	To develop and promote the fishing and aquaculture industry through improving strategic competitiveness.	Number of science and technology bodies assisted.	Consultation with relevant stakeholders. Support the development of new markets for beneficiated products and to strengthen the fishing and tourism industry links.	Expand the support for ICT, Innovation and R&D. Initiation of projects in bio-technology for specific fishing and aquaculture products.
	To develop and promote the agribusiness industry through infrastructure enhancement.	Establishment of infrastructure created such as pack houses and training centres for organic villages.	Consultation with relevant stakeholders. Assist with the development and establishment of the initiative.	Implementation of agribusiness specific infrastructure initiatives.
	Maximise the growth potential and transformation of the oil and Gas Supply industry.	Growth of the sector; number of firms involved; employment created or sustained.		Ongoing support for the SA Oiland Gas Alliance. Conduct a regional benchmarking for 200 firms.
	Maximise the growth potential and transformation of the metals and engineering sectors.	Growth of the sector; number of firms involved; employment created or sustained.		Facilitate the Saldanha Downstream project. Fund the tooling initiative. Formalise the Ship Repair cluster. Support boat building cluster. Fund the foundry ind. Benchmarking.
	Maximise the growth potential and transformation of the Clothing and textiles sectors.	Growth of the sector; number of firms involved; employment created or sustained.		Fund and direct the Cape Clothing Cluster – to encompass 50% of emp. Fund and Support Clotex to deliver 100 formal CMT's.
	To develop and promote the BPO industry through investment recruitment and marketing.	Total amount of investment recruited and jobs created.		Use CTC to promote and facilitate foreign outsourcing into Cape Town. Expand support for CtC as the investment and marketing agent.
	To develop and promote the ICT industry through investment recruitment.	Promote the regions as an innovative cross-cutting location for targeted sub-sectors and niche segments.		Use CITI to promote and facilitate foreign outsourcing into Cape Town. Expand support for CITI as the investment and marketing agent.
	To develop and promote the film industry through investment recruitment and marketing.	Total amount of Investment Recruitment. Number of international film shoots and events hosted in Cape Town. Number of local films funded.		Use CFC to promote and facilitate national and foreign outsourcing into the Western Cape. Expand support for CFC as the investment and marketing agent.

Sub-programme	Measurable objective	Performance measure	Output	Target (2006/07)
	To develop and promote creative industry through investment recruitment and marketing.	Total Amount of Investment Recruitment and jobs created.	Consultation with relevant stakeholders Develop projects and opportunities for investment and marketing.	Provide support for investment and marketing.
	Develop and promote the craft industry through Skills Development.	Number of people trained and jobs created.	Consultation with relevant stakeholders. Assist with development and establishment of plan for initiative through establishing pilot.	Implementation of training programs in particular for youth, retrenched, etc.
4.3 Strategic Sector Support.	Workforce development to improve competitiveness of sectors. Knowledge economy interventions. Promotion of innovation, Design and advanced technologies (I,D&AT).	Scope sectors' job targets for skills / qualifications & to include scarce / critical skills. To perform research and develop an understanding of the profile and constraints to ICT adoption in the province. To perform research and develop an understanding of the profile and constraints to I,D&AT adoption in the province. To develop a comprehensive regional system of innovation (RIS).	Develop methodology in consultation with relevant expertise.	4 sectors scoped. Assess methodology, improve or modify. Carry out research project. Hold 20 meetings with key stakeholders. Hold 1 major workshop. Carry out research project. Hold 20 meetings with key stakeholders. Hold 1 major workshop. Develop a RIS.

Table 6.4 Summary of payments and estimates – Programme 4: Economic Sector Development

Sub-programme R'000	Outcome			Medium-term estimate						
	Audited 2002/03	Audited 2003/04	Audited 2004/05	Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
1. Management: Economic Sector Development		1 790	2 612	3 323	3 363	3 363	2 855	(15.11)	3 273	3 381
2. Industry Development		22 347	6 095	31 603	26 603	25 285	30 738	21.57	42 978	43 355
3. Strategic Sector Support		5 241	3 870	3 935	3 235	3 235	7 527	132.67	8 007	8 172
4. WESGRO		7 501	21 889	8 800	9 500	9 500	9 900	4.21	9 900	9 900
Total payments and estimates		36 879	34 466	47 661	42 701	41 383	51 020	23.29	64 158	64 808

Earmarked allocation:

Included in sub-programme 4.2 "Industry development" is an earmarked allocation amounting to R19 570 000 (2006/07), R32 270 000 (2007/08) and R32 020 000 (2008/09) for the purpose of supporting the MEDS interventions.

Included in sub-programme 4.3 "Strategic sector support" is an earmarked allocation amounting to R5 000 000 (2006/07), R5 000 000 (2007/08) and R5 000 000 (2008/09) for the purpose of supporting the MEDS interventions.

Included in sub-programme 4.2 "Industry development" is an earmarked allocation amounting to R3 870 000 (2006/07), R4 000 000 (2007/08) and R5 000 000 (2008/09) for the purpose of BPO and call centre sectors promotion.

Included in sub-programme 4.4 "WESGRO" is an earmarked allocation amounting to R5 000 000 (2006/07), for the reinstatement of transfers from reserves.

Table 6.4.1 Summary of provincial payments and estimates by economic classification – Programme 4: Economic Sector Development

Economic classification R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments		6 504	12 624	16 082	11 284	9 966	21 755	118.29	35 498	36 148
Compensation of employees		3 127	3 874	6 000	5 710	4 688	6 730	43.56	7 088	7 430
Goods and services		3 377	8 750	10 082	5 574	5 278	15 025	184.67	28 410	28 718
Transfers and subsidies to		29 875	21 651	31 529	31 367	31 367	29 165	(7.02)	28 660	28 660
Provinces and municipalities		9	21	19	17	17	5	(70.59)		
Departmental agencies and accounts		7 461	21 200	23 800	19 500	19 500	9 000	(53.85)	9 000	9 000
Non-profit institutions		22 405	430	7 710	11 850	11 850	20 160	70.13	19 660	19 660
Payments for capital assets		500	191	50	50	50	100	100.00		
Machinery and equipment		500	191	50	50	50	100	100.00		
Total economic classification		36 879	34 466	47 661	42 701	41 383	51 020	23.29	64 158	64 808

Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Transfers and subsidies to (Current)		29 875	21 731	31 529	31 367	31 367	29 165	(7.02)	28 660	28 660
Provinces and municipalities		9	21	19	17	17	5	(70.59)		
Municipalities		9	21	19	17	17	5	(70.59)		
of which		9	21	19	17	17	5	(70.59)		
Regional services council levies		9	21	19	17	17	5			
Departmental agencies and accounts		7 461	21 200	23 800	19 500	19 500	9 000	(53.85)	9 000	9 000
Provide list of entities receiving transfers		7 461	21 200	23 800	19 500	19 500	9 000	(53.85)	9 000	9 000
Western Cape Trade and Investment Promotion Agency		7 461	21 200	23 800	19 500	19 500	9 000	(53.85)	9 000	9 000
Public corporations and private enterprises			80							
Non-profit institutions		22 405	430	7 710	11 850	11 850	20 160	70.13	19 660	19 660

Programme 5: Tourism

Purpose: To grow a sustainable tourism economy and spread the benefits to all the inhabitants of the Western Cape.

Analysis per sub-programme

Sub-programme 5.1: Management: Tourism

to conduct the overall management and administrative support to the Programme

Sub-programme 5.2: Tourism industry development

to develop tourism spatial and economic planning

to conduct tourism research to develop the industry

to formulate tourism policy, legislation and strategy interventions

Sub-programme 5.3: Tourism strategic implementation

to implement and maintain a tourism enterprise development programme

to implement, evaluate and maintain tourism community development programmes

to implement tourism capacity building

Sub-programme 5.4: Destination marketing organisation (DMO)

to provide resources to the Destination Marketing Organisation (DMO) to enable it to deliver on its mandate as defined in the Western Cape Tourism Act (Act 1 of 1999).

Policy developments

The work of this programme is deeply steeped in the outcomes of the intervention strategies identified by the Micro-economic Development Strategy (MEDS) as well as the Integrated Tourism Development Framework (ITDF).

Arising from research and planning as contained in the ITDF, various policy developments and interventions arose, most notably in the areas of tourist guiding, safety, community development and enterprise development.

In terms of the White Paper on Sustainable Tourism Promotion and Development and the Provincial Western Cape Tourism Act (Act 1 of 2004), the marketing functions of tourism has been outsourced to the Destination Marketing Organisation (DMO). The DMO is responsible for areas of leisure marketing, new product development, visitor services, conventions and events. The Department will be responsible for ensuring that the DMO delivers on targets set in these work areas.

Expenditure trends analysis

This is a newly established programme that was borne primarily due to the splitting of the Economic Development portfolio and the Tourism portfolio between the MEC responsible for Finance and Tourism and the MEC responsible for Environment, Planning and Economic Development.

The programme has in essence received an additional allocation for expenditure due to the increase in human resource capacity and for sector interventions identified through the MEDS intervention strategy processes and Integrated Tourism Development Framework (ITDF).

The overall increase in allocated expenditure for the programme is R9,159 million or 26,19 per cent from the 2005/6 financial year to the 2006/07 financial year.

Service delivery measures:

Programme 5: Tourism

Sub-programme	Measurable objective	Performance measure	Output	Target (2006/07)
5.2 Tourism Development.	To implement, evaluate, and maintain tourism community development programmes.	Implementing ITDF projects.	Implementation of ITDF projects in all 6 regions (one per region).	Implementation of ITDF projects in all 6 regions (one per region).
	To implement and maintain tourism enterprise development programmes continued.	Managing the Integrated Tourism Entrepreneurship Support Programme (ITESP).	Establishment of ITESP fund, appointment of agents, announcement of pilot study and support measures to first 30 beneficiaries.	Expansion of programme to all six regions of the province, monitoring and performance evaluation, 50 beneficiaries.

Sub-programme	Measurable objective	Performance measure	Output	Target (2006/07)
	To implement and maintain tourism enterprise development programmes.	Implementing and maintaining tourism entrepreneurship training programme.	Implementation of training programmes in Unicity, Boland, West Coast, Overberg, Central Karoo and South Cape.	Maintenance, evaluation and refinement of programme.
5.3 Tourism Strategic Implementation.	To implement, evaluate, and maintain tourism community development programmes. To implement tourism capacity building. Conducting tourism education, training and skills programmes.	Implementing ITDF projects. Implementing the Tourism HRD Strategy. Identification of education, skills and training programmes to be conducted.	Implementation of ITDF projects in all 6 regions (one per region). Establishment and implementation of HRD policy and strategy. Implementation of training in 2 pilot sites linked to ITDF.	Implementation of ITDF projects in all 6 regions (one per region). Implementation of projects in 2 pilot sites linked to ITDF.
5.4 Destination Marketing Organisation.	To ensure good governance by the DMO.	Establishment of the DMO.	Management of service level Agreement of DMO. Annual review and evaluation.	Management of service level Agreement of DMO. Annual review and evaluation.

Table 6.5 Summary of payments and estimates – Programme 5: Tourism

Sub-programme R'000	Outcome			Main appropriation 2005/06	Adjusted appropriation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
1. Management: Tourism			649	711	711	711	2 891	306.61	3 287	3 096
2. Tourism Industry Development	122 826	5 699	3 092	2 599	2 599	2 568	3 268	27.26	6 946	8 528
3. Tourism Strategic Implementation		4 008	2 190	5 889	5 849	5 849	15 078	157.79	10 490	10 409
5. Destination marketing organisation		14 741	20 532	25 850	25 850	25 850	22 900	(11.41)	23 900	24 900
Total payments and estimates	122 826	24 448	26 463	35 049	35 009	34 978	44 137	26.19	44 623	46 933

Earmarked allocation:

Included in sub-programme 5.2 "Tourism industry development" is an earmarked allocation amounting to R2 900 000 (2006/07), R4 100 000 (2007/08) and R6 000 000 (2008/09) for the purpose of supporting the MEDS interventions.

Included in sub-programme 5.2 "Tourism strategic implementation" is an earmarked allocation amounting to R6 600 000 (2006/07), R5 400 000 (2007/08) and R6 662 000 (2008/09) for the purpose of supporting the MEDS interventions.

Table 6.5.1 Summary of provincial payments and estimates by economic classification – Programme 5: Tourism

Economic classification R'000	Outcome			Main appropriation 2005/06	Adjusted appropriation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments	2 616	6 308	2 748	4 399	4 435	4 582	12 993	183.57	16 074	17 384
Compensation of employees	2 164	1 787	1 874	2 822	2 122	2 091	6 337	203.06	6 642	6 971
Goods and services	452	4 521	874	1 577	2 313	2 483	6 656	168.06	9 432	10 413
Financial transactions in assets and liabilities						8		(100.00)		
Transfers and subsidies to	120 198	17 744	23 711	30 600	30 524	30 368	31 044	2.23	28 549	29 549
Provinces and municipalities	2 760	1 608	1 419	660	660	660	495	(25.00)		
Departmental agencies and accounts	6 340	14 741	20 532	25 850	25 850	25 850	26 570	2.79	24 570	25 570
Universities and technikons			350				480		480	480
Public corporations and private enterprises			80		500	500	1 800	260.00	1 800	1 800
Non-profit institutions	111 098	1 395	1 330	4 090	3 514	3 358	1 699	(49.40)	1 699	1 699
Payments for capital assets	12	396	4	50	50	28	100	257.14		
Machinery and equipment	12	396	4	50	50	28	100	257.14		
Total economic classification	122 826	24 448	26 463	35 049	35 009	34 978	44 137	26.19	44 623	46 933

Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appropriation 2005/06	Adjusted appropriation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Transfers and subsidies to (Current)	120 198	17 744	23 711	30 600	30 524	30 368	31 044	2.23	28 549	29 549
Provinces and municipalities	2 760	1 608	1 419	660	660	660	495	(25.00)		
Municipalities	2 760	1 608	1 419	660	660	660	495	(25.00)		
Municipalities		3	9	10	10	10	4	(60.00)		
<i>of which</i>										
Regional services council levies		3	9	10	10	10	4			
Municipal agencies and funds	2 760	1 605	1 410	650	650	650	491	(24.46)		
Departmental agencies and accounts	6 340	14 741	20 532	25 850	25 850	25 850	26 570	2.79	24 570	25 570
Provide list of entities receiving transfers	6 340	14 741	20 532	25 850	25 850	25 850	26 570	2.79	24 570	25 570
Destination Marketing Organisation	6 340	14 741	20 532	25 850	25 850	25 850	26 570	2.79	24 570	25 570
Universities and technikons			350				480		480	480
Public corporations and private enterprises			80		500	500	1 800	260.00	1 800	1 800
Public corporations					500	500	1 800	260.00	1 800	1 800
Other transfers					500	500	1 800	260.00	1 800	1 800
Private enterprises			80							
Other transfers			80							
Non-profit institutions	111 098	1 395	1 330	4 090	3 514	3 358	1 699	(49.40)	1 699	1 699

7. Other programme information

Personnel numbers and costs

Table 7.1 Personnel numbers and costs

Programme R'000	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009
1. Administration	12	42	42	84	90	90	90
2. Economic participation	36	62	18	29	32	32	32
3. Fair business environment	8	20	16	18	36	36	36
4. Economic sector development			27	41	31	31	31
5. Tourism			21	31	29	29	29
Total personnel numbers	56	124	124	203	218	218	218
Total personnel cost (R'000)	11 348	14 678	22 182	28 869	45 093	47 839	50 109
Unit cost (R'000)	203	118	179	142	207	219	230

Table 7.2 Departmental personnel number and cost

Description	Outcome			Main appropriation 2005/06	Adjusted appropriation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate		2006/07	2007/08
Total for department										
Personnel numbers (head count)	56	124	124	203	203	203	218	7.39	218	218
Personnel cost (R'000)	11 348	13 900	22 585	37 683	36 963	36 963	45 093	21.99	47 839	50 109
Human resources component										
Personnel numbers (head count)				32	32	32	25	(21.88)	25	25
Personnel cost (R'000)				2 302	2 302	2 302	3 436	49.26	3 603	3 777
Head count as % of total for department				15.76	15.76	15.76	11.47		11.47	11.47
Personnel cost as % of total for department				6.11	6.23	6.23	7.62		7.53	7.54
Finance										
Personnel numbers (head count)				53	53	53	43	(18.87)	43	43
Personnel cost (R'000)				4 073	4 073	4 073	6 537	60.50	6 845	7 179
Head count as % of total for department				26.11	26.11	26.11	19.72		19.72	19.72
Personnel cost as % of total for department				10.81	11.02	11.02	14.50		14.31	14.33
Full time workers										
Personnel numbers (head count)				68	68	68	68		68	68
Personnel cost (R'000)				5 599	5 599	5 599	9 973	78.12	10 448	10 956
Head count as % of total for department				33.50	33.50	33.50	31.19		31.19	31.19
Personnel cost as % of total for department				14.86	15.15	15.15	22.12		21.84	21.86
Part-time workers										
Personnel numbers (head count)										
Personnel cost (R'000)										
Head count as % of total for department										
Personnel cost as % of total for department										
Contract workers										
Personnel numbers (head count)				17	17	17		(100.00)		
Personnel cost (R'000)				776	776	776		(100.00)		
Head count as % of total for department				8.37	8.37	8.37				
Personnel cost as % of total for department				2.06	2.10	2.10				

Training

Table 7.3 Payments on training

Programme R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
1. Administration			192	188	188	188	238	26.60	243	249
<i>of which</i>										
Payments on tuition			192	188	188	188	238	26.60	243	249
2. Economic participation			33	71	71	71	77	8.45	79	85
<i>of which</i>										
Payments on tuition			33	71	71	71	77	8.45	79	85
3. Economic stimulation			36	15	15	15	39	160.00	40	43
<i>of which</i>										
Payments on tuition			36	15	15	15	39	160.00	40	43
4. Fair business environment			49	56	56	56	31	(44.64)	32	34
<i>of which</i>										
Payments on tuition			49	56	56	56	31	(44.64)	32	34
5. Economic sector development			35	47	47	47	96	104.26	99	106
Payments on tuition			35	47	47	47	96	104.26	99	106
Total payments on training			345	377	377	377	481	27.59	493	517

Table 7.4 Information on training

Description	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	2002/03	2003/04	2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Number of staff	56	124	124	203	203	203	218	7.39	218	218
Number of personnel trained		128	82	324	324	324	333	2.78	333	333
<i>of which</i>										
Male		53	28	86	86	86	90	4.65	90	90
Female		75	54	238	238	238	243	2.10	243	243
Number of training opportunities		128	408	324	324	324	333	2.78	333	333
<i>of which</i>										
Tertiary			14	14	14	14	18	28.57	18	18
Workshops		128	394	113	113	113	121	7.08	121	121
Other				197	197	197	194	(1.52)	194	194
Number of bursaries offered		4	14	14	14	14	15	7.14	15	15
Number of interns appointed		3	13	22	22	22	16	(27.27)	16	16
Number of days spent on training				2 310	2 310	2 310	2 400	3.90	2 400	2 400

Reconciliation of structural changes

Table 7.5 Reconciliation of structural changes

Programme for 2005/06			Programme for 2006/07		
Programme R'000	2006/07 Equivalent		Programme R'000	Pro-gramme	Sub-pro- gramme
	Pro-gramme	Sub-pro- gramme			
1. Administration	28 502		Administration	28 502	
Management administration		6 151	Management administration		6 151
Corporate services		15 160	Corporate services		15 160
Delivery enabling services		7 191	Delivery enabling services		7 191
2. Economic participation	49 594		Economic Participation	49 594	
Management economic participation		4 013	Management economic participation		4 013
Enterprise development		30 646	Enterprise development		30 646
Local economic development		13 345	Local economic development		13 345
Economic empowerment		1 590	Economic empowerment		1 590
3. Economic stimulation	18 247		Fair business environment	15 180	
Management economic stimulation		820	Management fair business environmen		920
Strategic competitiveness		7 527	Office of the consumer protector		6 055
WESGRO		9 900	Western Cape Liquor Board		8 205
4. Fair business environment	17 248		Economic sector development	51 020	
Management fair business environment		920	Management economic sector develop		2 855
Office of the consumer protector		6 055	Industry development		30 738
Western Cape Liquor Board		8 205	Strategic sector support		7 527
Tourism regulation		2 068	WESGRO		9 900
5. Economic Sector Development	74 842		Tourism	44 137	
Management economic sector development		4 926	Management tourism		2 891
Resource beneficiation		3 164	Tourism industry development		3 268
Manufacturing industry development		10 827	Tourism strategic implementation		15 078
Services industry development		16 747	Destination marketing organisation		22 900
Tourism industry development		16 278			
Destination marketing organisation		22 900			
Total	188 433			188 433	

Table B.1 Specification of receipts

Receipts R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate		2006/07	2007/08
Tax receipts	3 388	3 681	3 781	8 730	3 730	3 692	14 730	298.97	18 730	18 730
Other taxes	3 388	3 681	3 781	8 730	3 730	3 692	14 730	298.97	18 730	18 730
Sales of goods and services other than capital assets	312	359	284	270	270	266	270	1.50	270	270
Sales of goods and services produced by department (excluding capital assets)	312	359	284	270	270	266	270	1.50	270	270
Other sales	312	359	284	270	270	266	270	1.50	270	270
Other	312	359	284	270	270	266	270	1.50	270	270
Interest, dividends and rent on land			2							
Interest			2							
Sales of capital assets			15							
Other capital assets			15							
Financial transactions in assets and liabilities			1 855			42		(100.00)		
Total departmental receipts	3 700	4 040	5 937	9 000	4 000	4 000	15 000	275.00	19 000	19 000

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

Economic classification R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments	16 006	35 028	45 417	64 807	59 552	59 462	102 648	72.63	124 450	131 490
Compensation of employees	11 348	14 678	22 182	37 683	36 693	28 869	45 093	56.20	47 839	50 109
Salaries and wages	10 034	13 106	19 658	32 500	31 512	24 652	38 406	55.79	40 817	42 735
Social contributions	1 314	1 572	2 524	5 183	5 181	4 217	6 687	58.57	7 022	7 374
Goods and services	4 656	20 350	23 188	27 124	22 859	30 584	57 555	88.19	76 611	81 381
<i>of which</i>										
Audit fees: external		387	434	400	400	400	900	125.00	1 000	1 000
Communication		1 196	1 843	1 100	1 100	1 100	3 600	227.27	3 700	4 100
Computer equipment		348	100	100	100	100		(100.00)		
Consultancy fees		8 365	11 218	18 243	13 466	21 317	38 940	82.67	47 892	53 381
Machinery and equipment		571	426	100	100	100	1 000	900.00	1 250	1 750
Operating Leases		36	2 087	1 000	1 000	1 000	1 597	59.70	2 100	2 500
Printing and publications			224	160	160	160	500	212.50	600	600
Training		240	197	389	389	389	1 316	238.30	1 719	1 819
Transport		552		571	571	571	1 800	215.24	2 400	1 800
Travel and subsistence		825	1 619	1 689	1 689	1 689	2 678	58.56	3 800	3 600
Other		3 309	4 166	3 372	3 884	3 758	9 224	145.45	12 150	10 831
Financial transactions in assets and liabilities	2		47			9		(100.00)		
Transfers and subsidies to	126 561	84 784	79 495	80 141	82 653	82 478	85 285	3.40	82 259	83 259
Provinces and municipalities	4 364	4 731	2 565	1 969	1 967	1 948	513	(73.67)		
Municipalities	4 364	4 731	2 565	1 969	1 967	1 948	513	(73.67)		
<i>of which</i>		26	55	119	117	98	22	(77.55)		
Regional services council levies		26	55	119	77	98	22	(77.55)		
Municipal agencies and funds	4 364	4 705	2 510	1 850	1 850	1 850	491	(73.46)		
Departmental agencies and accounts	6 340	29 802	52 232	49 650	45 350	45 350	40 583	(10.51)	38 570	39 570
Social security funds							13			
Provide list of entities receiving transfers	6 340	29 802	52 232	49 650	45 350	45 350	40 570	(10.54)	38 570	39 570
Destination Marketing Organisation	6 340	14 741	20 532	25 850	25 850	25 850	26 570	2.79	24 570	25 570
Western Cape Trade and Investment Promotion Agency		7 461	31 700	23 800	19 500	19 500	9 000	(53.85)	9 000	9 000
CSIR		7 600					5 000		5 000	5 000
Universities and technikons			550				480		480	480
Public corporations and private enterprises	750	4 250	17 330	15 300	18 400	18 400	20 100	9.24	20 100	20 100
Public corporations	750	4 250	17 250	15 300	18 400	18 400	20 100	9.24	20 100	20 100
Other transfers	750	4 250	17 250	15 300	18 400	18 400	20 100	9.24	20 100	20 100
Private enterprises			80							
Other transfers			80							
Non-profit institutions	115 107	46 001	6 818	13 222	16 936	16 780	23 609	40.70	23 109	23 109
Payments for capital assets	55	2 943	1 527	200	200	465	500	7.53		
Machinery and equipment	55	2 943	1 527	200	200	465	500	7.53		
Other machinery and equipment	55	2 943	1 527	200	200	465	500	7.53		
Total economic classification	142 622	122 755	126 439	145 148	142 405	142 405	188 433	32.32	206 709	214 749

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

Economic classification R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments	3 584	9 538	12 034	18 030	17 980	17 730	28 389	60.12	29 336	30 813
Compensation of employees	2 989	5 017	6 306	13 130	13 130	10 233	15 202	48.56	15 836	16 613
Salaries and wages	2 541	4 432	5 567	11 228	11 228	8 684	12 772	47.08	13 284	13 934
Social contributions	448	585	739	1 902	1 902	1 549	2 430	56.88	2 552	2 679
Goods and services	593	4 521	5 681	4 900	4 850	7 496	13 187	75.92	13 500	14 200
<i>of which</i>										
Audit fees: external		387	434	400	400	400	900	125.00	1 000	1 000
Communication		265	508	500	500	500	1 000	100.00	1 000	1 000
Computer equipment		348	100	100	100	100		(100.00)		
Consultancy fees		971	2 322	2 760	2 760	5 406	5 400	(0.11)	4 900	5 900
Machinery and equipment		321	71	100	100	100	500	400.00	750	750
Operating Leases			102	100	100	100	300	200.00	500	500
Printing and publications			224	160	160	160	500	212.50	600	600
Training		43	91	188	188	188	500	165.96	500	500
Transport		552		120	120	120	800	566.67	800	800
Travel and subsistence		318	308	200	200	200	500	150.00	500	500
Other		1 316	1 521	272	222	222	2 787	1155.41	2 950	2 650
Financial transactions in assets and liabilities	2		47			1		(100.00)		
Transfers and subsidies to			2 258	40	90	82	13	(84.15)		
Provinces and municipalities				40	40	32		(100.00)		
Municipalities				40	40	32		(100.00)		
Municipalities				40	40	32		(100.00)		
<i>of which</i>										
Regional services council levies				40		32				
Departmental agencies and accounts			500				13			
Social security funds							13			
Provide list of entities receiving transfers			500							
Western Cape Trade and Investment Promotion Agency			500							
Non-profit institutions			1 758		50	50		(100.00)		
Payments for capital assets	30	1 459	598	50	50	332	100	(69.88)		
Machinery and equipment	30	1 459	598	50	50	332	100	(69.88)		
Other machinery and equipment	30	1 459	598	50	50	332	100	(69.88)		
Total economic classification	3 614	10 997	14 890	18 120	18 120	18 144	28 502	57.09	29 336	30 813

Table B.2.2 Payments and estimates by economic classification – Programme 2: Economic Participation

Economic classification R'000	Outcome			Main appropriation 2005/06	Adjusted appropriation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments	9 806	5 296	8 484	16 659	16 216	18 945	25 685	35.58	28 451	30 802
Compensation of employees	6 195	2 222	4 417	9 481	9 481	7 005	8 494	21.26	9 532	10 002
Salaries and wages	5 485	1 920	3 927	8 623	8 623	6 243	7 282	16.64	8 259	8 665
Social contributions	710	302	490	858	858	762	1 212	59.06	1 273	1 337
Goods and services	3 611	3 074	4 067	7 178	6 735	11 940	17 191	43.98	18 919	20 800
<i>of which</i>										
Communication		206	554	400	400	400	1 000	150.00	1 000	1 000
Consultancy fees		2 425	2 102	5 970	5 527	10 732	12 000	11.82	12 800	14 000
Machinery and equipment		45	67							
Operating Leases		5	67	100	100	100	400	300.00	800	1 200
Training		51	31	71	71	71	77	8.45	79	79
Travel and subsistence		61	291	435	435	435	750	72.41	1 000	1 500
Other		281	955	202	202	202	2 964	1367.33	3 240	3 021
Transfers and subsidies to	6 363	36 806	31 861	17 280	19 980	19 969	23 809	19.23	23 800	23 800
Provinces and municipalities	1 604	3 105	1 111	1 230	1 230	1 219	9	(99.26)		
Municipalities	1 604	3 105	1 111	1 230	1 230	1 219	9	(99.26)		
Municipalities		5	11	30	30	19	9	(52.63)		
<i>of which</i>										
Regional services council levies		5	11	30	30	19	9			
Municipal agencies and funds	1 604	3 100	1 100	1 200	1 200	1 200		(100.00)		
Departmental agencies and accounts		7 250	10 000				5 000		5 000	5 000
Provide list of entities receiving transfers		7 250	10 000				5 000		5 000	5 000
Western Cape Trade and Investment Promotion Agency			10 000							
CSIR		7 250					5 000		5 000	5 000
Universities and technikons			200							
Public corporations and private enterprises	750	4 250	17 250	15 300	17 900	17 900	18 300	2.23	18 300	18 300
Public corporations	750	4 250	17 250	15 300	17 900	17 900	18 300	2.23	18 300	18 300
Other transfers	750	4 250	17 250	15 300	17 900	17 900	18 300	2.23	18 300	18 300
Non-profit institutions	4 009	22 201	3 300	750	850	850	500	(41.18)	500	500
Payments for capital assets	13	588	485	50	50	55	100	81.82		
Machinery and equipment	13	588	485	50	50	55	100	81.82		
Other machinery and equipment	13	588	485	50	50	55	100	81.82		
Total economic classification	16 182	42 690	40 830	33 989	36 246	38 969	49 594	27.27	52 251	54 602

Table B.2.3 Payments and estimates by economic classification – Programme 3: Fair Business Environment

Economic classification R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate		2006/07	2007/08
Current payments		7 382	9 527	9 637	9 637	8 239	13 826	67.81	15 091	16 343
Compensation of employees		2 525	5 711	6 250	6 250	4 852	8 330	71.68	8 741	9 093
Salaries and wages		2 175	4 930	5 429	5 429	4 228	7 177	69.75	7 530	7 821
Social contributions		350	781	821	821	624	1 153	84.78	1 211	1 272
Goods and services		4 857	3 816	3 387	3 387	3 387	5 496	62.27	6 350	7 250
<i>of which</i>										
Communication		250	384							
Consultancy fees		3 016	1 657	2 278	2 278	2 278	3 300	44.86	3 550	4 050
Machinery and equipment		137	246							
Operating Leases		9	154				897		800	800
Training		18	17	56	56	56	39	(30.36)	40	40
Transport				221	221	221		(100.00)		
Travel and subsistence		283	549	340	340	340	228	(32.94)	300	300
Other		1 144	809	492	492	492	1 032	109.76	1 660	2 060
Transfers and subsidies to		359	14	692	692	692	1 254	81.21	1 250	1 250
Provinces and municipalities		9	14	20	20	20	4	(80.00)		
Municipalities		9	14	20	20	20	4	(80.00)		
Municipalities		9	14	20	20	20	4	(80.00)		
<i>of which</i>										
Regional services council levies		9	14	20	20	20	4			
Departmental agencies and accounts		350								
Provide list of entities receiving transfers		350								
CSIR		350								
Non-profit institutions				672	672	672	1 250	86.01	1 250	1 250
Payments for capital assets			249				100			
Machinery and equipment			249				100			
Other machinery and equipment			249				100			
Total economic classification		7 741	9 790	10 329	10 329	8 931	15 180	69.97	16 341	17 593

Table B.2.4 Payments and estimates by economic classification – Programme 4: Economic Sector Development

Economic classification R'000	Outcome			Main appropriation 2005/06	Adjusted appropriation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments	6 504	12 624		16 082	11 284	9 966	21 755	118.29	35 498	36 148
Compensation of employees	3 127	3 874		6 000	5 710	4 688	6 730	43.56	7 088	7 430
Salaries and wages	2 892	3 478		4 704	4 416	3 712	5 766	55.33	6 076	6 367
Social contributions	235	396		1 296	1 294	976	964	(1.23)	1 012	1 063
Goods and services	3 377	8 750		10 082	5 574	5 278	15 025	184.67	28 410	28 718
<i>of which</i>										
Communication	475	397		100	100	100	1 500	1400.00	1 500	2 000
Consultancy fees	1 953	5 137		6 335	2 001	2 001	14 780	638.63	21 610	22 318
Machinery and equipment	68	42					500		500	1 000
Operating Leases	22	1 764		800	800	800		(100.00)		
Training	128	58		62	62	62	500	706.45	700	1 000
Transport				230	230	230	700	204.35	1 000	700
Travel and subsistence	163	471		535	535	535	700	30.84	1 000	800
Other	568	881		2 020	1 846	1 550	345	(77.74)	2 100	900
Transfers and subsidies to	29 875	21 651		31 529	31 367	31 367	29 165	(7.02)	28 660	28 660
Provinces and municipalities	9	21		19	17	17	5	(70.59)		
Municipalities	9	21		19	17	17	5	(70.59)		
<i>of which</i>										
Regional services council levies	9	21		19	17	17	5			
Departmental agencies and accounts	7 461	21 200		23 800	19 500	19 500	9 000	(53.85)	9 000	9 000
Provide list of entities receiving transfers	7 461	21 200		23 800	19 500	19 500	9 000	(53.85)	9 000	9 000
Western Cape Trade and Investment Promotion Agency	7 461	21 200		23 800	19 500	19 500	9 000	(53.85)	9 000	9 000
Non-profit institutions	22 405	430		7 710	11 850	11 850	20 160	70.13	19 660	19 660
Payments for capital assets	500	191		50	50	50	100	100.00		
Machinery and equipment	500	191		50	50	50	100	100.00		
Other machinery and equipment	500	191		50	50	50	100	100.00		
Total economic classification	36 879	34 466		47 661	42 701	41 383	51 020	23.29	64 158	64 808

Table B.2.5 Payments and estimates by economic classification – Programme 5: Tourism

Economic classification R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Current payments	2 616	6 308	2 748	4 399	4 435	4 582	12 993	183.57	16 074	17 384
Compensation of employees	2 164	1 787	1 874	2 822	2 122	2 091	6 337	203.06	6 642	6 971
Salaries and wages	2 008	1 687	1 756	2 516	1 816	1 785	5 409	203.03	5 668	5 948
Social contributions	156	100	118	306	306	306	928	203.27	974	1 023
Goods and services	452	4 521	874	1 577	2 313	2 483	6 656	168.06	9 432	10 413
<i>of which</i>										
Communication				100	100	100	100		200	100
Consultancy fees				900	900	900	3 460	284.44	5 032	7 113
Training				12	12	12	200	1566.67	400	200
Transport							300		600	300
Travel and subsistence				179	179	179	500	179.33	1 000	500
Other				386	1 122	1 292	2 096	62.23	2 200	2 200
Financial transactions in assets and liabilities						8		(100.00)		
Transfers and subsidies to	120 198	17 744	23 711	30 600	30 524	30 368	31 044	2.23	28 549	29 549
Provinces and municipalities	2 760	1 608	1 419	660	660	660	495	(25.00)		
Municipalities	2 760	1 608	1 419	660	660	660	495	(25.00)		
<i>of which</i>										
Regional services council levies		3	9	10	10	10	4	(60.00)		
Municipal agencies and funds	2 760	1 605	1 410	650	650	650	491	(24.46)		
Departmental agencies and accounts	6 340	14 741	20 532	25 850	25 850	25 850	26 570	2.79	24 570	25 570
Provide list of entities receiving transfers	6 340	14 741	20 532	25 850	25 850	25 850	26 570	2.79	24 570	25 570
Destination Marketing Organisation	6 340	14 741	20 532	25 850	25 850	25 850	26 570	2.79	24 570	25 570
Universities and technikons			350				480		480	480
Public corporations and private enterprises			80		500	500	1 800	260.00	1 800	1 800
Public corporations					500	500	1 800	260.00	1 800	1 800
Other transfers					500	500	1 800	260.00	1 800	1 800
Private enterprises			80							
Other transfers			80							
Non-profit institutions	111 098	1 395	1 330	4 090	3 514	3 358	1 699	(49.40)	1 699	1 699
Payments for capital assets	12	396	4	50	50	28	100	257.14		
Machinery and equipment	12	396	4	50	50	28	100	257.14		
Other machinery and equipment	12	396	4	50	50	28	100	257.14		
Total economic classification	122 826	24 448	26 463	35 049	35 009	34 978	44 137	26.19	44 623	46 933

Table B.3.1 Details on public entities – Name of Public Entity: Western Cape Investments and Trade Promotion Agency

R'000	Outcome			Estimated outcome 2005/06	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05				
Revenue							
Non-tax revenue	1 552	570	864	800	1 100	1 210	1 331
Sale of goods and services other than capital assets	1 053	440	477	600	600	610	631
<i>Of which:</i>							
Admin fees	1 053	440	477	600	600	610	631
Other non-tax revenue	499	130	387	200	500	600	700
Transfers received	7 150	4 209	21 237	18 507	26 159	31 211	32 169
Total revenue	8 702	4 779	22 101	19 307	27 259	32 421	33 500
Expenses							
Current expense	11 031	8 376	14 366	16 057	25 589	30 544	32 616
Compensation of employees	6 071	5 468	7 014	8 902	12 318	13 537	14 349
Goods and services	4 696	2 637	6 850	6 815	12 931	16 633	17 856
Depreciation	264	271	392	340	340	374	411
Interest, dividends and rent on land			110				
Interest			110				
Transfers and subsidies	41	35	493	2 064	70	77	84
Total expenses	11 072	8 411	14 859	18 121	25 659	30 621	32 700
Surplus/(Deficit)	(2 370)	(3 632)	7 242	1 186	1 600	1 800	800
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	253	297	506	355	340	374	411
Adjustments for:							
Depreciation	264	271	392	340	340	374	411
Impairments			86				
Net (profit)/loss on disposal of fixed assets	(11)	26	28	15			
Operating surplus/ deficit) before changes in working capital	(2 117)	(3 335)	7 748	1 541	1 940	2 174	1 211
Changes in working capital	(4 226)	6 748	14 251				
(Decrease)/increase in accounts payable	(1 910)	3 373	16 343				
Decrease/(increase) in accounts receivable	(2 316)	3 375	(2 092)				
Cash flow from operating activities	(6 343)	3 413	21 999	1 541	1 940	2 174	1 211
Cash flow from investing activities	(413)	(19)	(8 185)	(6 863)	(5 963)	1 800	800
Acquisition of Assets	(476)	(47)	(629)	700	1 600	1 800	800
Other flows from Investing Activities	63	28	(7 556)	(7 563)	(7 563)		
Net increase/decrease) in cash and cash equivalents	(6 756)	3 394	13 814	(5 322)	(4 023)	3 974	2 011
Balance Sheet Data							
Carrying Value of Assets	770	492	609	969	2 229	3 655	4 044
Investments			7 563	7 563			
Cash and Cash Equivalents	457	3 853	17 666	121	9 094	9 921	11 296
Receivables and Prepayments	5 108	1 729	3 821	3 800	4 100	4 385	4 859
Total Assets	6 335	6 074	29 659	12 453	15 423	17 961	20 199
Capital & Reserves	5 837	2 240	9 482	10 668	12 268	14 068	14 868
Trade and Other Payables	179	236	18 995	1 500	2 700	3 400	4 800
Provisions	319	247	269	285	455	493	531
Managed Funds		3 351	913				
Total Equity and Liabilities	6 335	6 074	29 659	12 453	15 423	17 961	20 199

Table B.3.2 Details on public entities – Name of Public Entity: Destination Marketing Organisation

R'000	Outcome			Estimated outcome 2005/06	Medium-term estimate		
	Audited	Audited	Audited		2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05				
Revenue							
Non-tax revenue			993 519	7 725 534	7 500 000	8 250 000	9 075 000
Other non-tax revenue			993 519	7 725 534	7 500 000	8 250 000	9 075 000
Transfers received			53 357 564	54 490 000	67 500 000	74 250 000	81 675 000
Total revenue			54 351 083	62 215 534	75 000 000	82 500 000	90 750 000
Current expense			53 384 398	62 184 362	74 994 907	82 505 728	90 733 425
Compensation of employees			7 803 977	14 597 000	16 164 976	17 297 604	18 509 625
Goods and services			45 296 606	47 148 455	58 355 024	64 685 726	71 649 163
Depreciation			283 815	438 907	474 907	522 398	574 637
Total expenses			53 384 398	62 184 362	74 994 907	82 505 728	90 733 425
Surplus/(Deficit)			966 685	31 172	5 093	(5 728)	16 575
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions			283 816	438 907	474 907	522 398	574 637
Adjustments for:							
Depreciation			283 816	438 907	474 907	522 398	574 637
Operating surplus/ (deficit) before changes in working capital			1 250 501	470 079	480 000	516 669	591 212
Changes in working capital			5 017 019	3 202 981	10 000	20 000	15 000
(Decrease)/increase in accounts payable			15 052 422	(6 612 422)	10 000	20 000	15 000
Decrease/(increase) in accounts receivable			(10 035 403)	9 815 403			
Cash flow from operating activities			6 267 520	3 673 060	490 000	536 669	606 212
Cash flow from investing activities			(1 524 624)	(600 000)	(180 000)	(180 000)	(703 406)
Acquisition of Assets			(1 524 624)	(600 000)	(180 000)	(180 000)	(703 406)
Net increase/(decrease) in cash and cash equivalents			4 742 896	3 073 060	310 000	356 669	(97 194)
Balance Sheet Data							
Carrying Value of Assets			1 240 808	1 401 901	1 106 994	764 597	493 364
Cash and Cash Equivalents			7 906 596	10 979 656	11 289 656	11 646 325	11 549 132
Receivables and Prepayments			10 035 403	220 000	220 000	220 000	220 000
Total Assets			19 182 807	12 601 557	12 616 650	12 630 922	12 262 496
Capital & Reserves			4 130 385	4 161 557	4 166 650	4 160 922	4 177 496
Trade and Other Payables			12 549 385	7 500 000	7 500 000	7 500 000	7 500 000
Provisions			2 503 037	940 000	950 000	970 000	585 000
Total Equity and Liabilities			19 182 807	12 601 557	12 616 650	12 630 922	12 262 496

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

Municipalities R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Total departmental transfers/grants										
Category A		2 200	200	200	200	200		(100.00)		
City of Cape Town		2 200	200	200	200	200		(100.00)		
Category C	4 364	2 505	2 310	1 650	1 650	1 650	491	(70.24)		
Cape Winelands	900	495	470	200	200	200	20	(90.00)		
Central Karoo	850	450	560	450	450	450		(100.00)		
Eden	600	450	380	200	200	200		(100.00)		
Overberg	1 054	600	480	300	300	300	180	(40.00)		
West Coast	960	510	420	500	500	500	291	(41.80)		
Total transfers to local government	4 364	4 705	2 510	1 850	1 850	1 850	491	(73.46)		

Note: Excludes regional services council levy.

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

Municipalities R'000	Outcome			Main appro- priation 2005/06	Adjusted appro- priation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Signage										
Category C	850	375	320	350	350	350	400	14.29		
Cape Winelands	200	105	100				20			
Central Karoo	200	70	60	250	250	250		(100.00)		
Eden	100		80							
Overberg	250	100	80	100	100	100	180	80.00		
West Coast	100	100					200			

Note: Excludes regional services council levy.

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

Municipalities R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Empowerment										
Category A		100	200							
City of Cape Town		100	200							
Category C	1 910	1 130	890	300	300	300	91	(69.67)		
Cape Winelands	400	190	170							
Central Karoo	350	180	300							
Eden	300	250	100							
Overberg	300	300	200							
West Coast	560	210	120	300	300	300	91	(69.67)		

Note: Excludes regional services council levy.

Table B.4.3 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Procurement opportunities and Linkages										
Category A		1 900		200	200	200		(100.00)		
City of Cape Town		1 900		200	200	200		(100.00)		

Note: Excludes regional services council levy.

Table B.4.4 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Job Creation and Poverty Relief										
Category A		200								
City of Cape Town		200								
Category C	1 604	1 000	1 100	1 000	1 000	1 000		(100.00)		
Cape Winelands	300	200	200	200	200	200		(100.00)		
Central Karoo	300	200	200	200	200	200		(100.00)		
Eden	200	200	200	200	200	200		(100.00)		
Overberg	504	200	200	200	200	200		(100.00)		
West Coast	300	200	300	200	200	200		(100.00)		

Note: Excludes regional services council levy.

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

Municipalities R'000	Outcome			Main appro- piation 2005/06	Adjusted appro- piation 2005/06	Revised estimate 2005/06	Medium-term estimate			
	Audited 2002/03	Audited 2003/04	Audited 2004/05				% Change from Revised estimate			
							2006/07	2005/06	2007/08	2008/09
Cape Town Metro	90 968	78 490	78 730	90 698	87 955	87 955	119 708	36.10	131 412	139 452
West Coast Municipalities	8 161	6 993	7 656	8 721	8 721	8 721	10 977	25.87	12 015	12 015
West Coast District Municipality	8 161	6 993	7 656	8 721	8 721	8 721	10 977	25.87	12 015	12 015
Cape Winelands Municipalities	22 337	19 142	19 810	22 726	22 726	22 726	28 899	27.16	31 741	31 741
Cape Winelands District Municipality	22 337	19 142	19 810	22 726	22 726	22 726	28 899	27.16	31 741	31 741
Overberg Municipalities	6 423	5 504	6 258	7 096	7 096	7 096	8 871	25.01	9 688	9 688
Overberg District Municipality	6 423	5 504	6 258	7 096	7 096	7 096	8 871	25.01	9 688	9 688
Eden Municipalities	12 587	10 787	11 477	13 119	13 119	13 119	16 598	26.52	18 199	18 199
Eden District Municipality	12 587	10 787	11 477	13 119	13 119	13 119	16 598	26.52	18 199	18 199
Central Karoo Municipalities	2 146	1 839	2 508	2 788	2 788	2 788	3 380	21.23	3 654	3 654
Central Karoo District Municipality	2 146	1 839	2 508	2 788	2 788	2 788	3 380	21.23	3 654	3 654
Total provincial expenditure by district and local municipality	142 622	122 755	126 439	145 148	142 405	142 405	188 433	32.32	206 709	214 749