

# Vote 12

## Department of Economic Development and Tourism

	2019/20 To be appropriated	2020/21	2021/22
<b>MTEF allocations</b>	<b>R523 367 000</b>	<b>R529 362 000</b>	<b>R554 766 000</b>
Responsible MEC	Provincial Minister of Economic Opportunities		
Administering Department	Department of Economic Development and Tourism		
Accounting Officer	Head of Department, Economic Development and Tourism		

### 1. Overview

#### Vision

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

#### Mission

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

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

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

#### Main services and core functions

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

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

In this context, this Department's key objectives are listed as follows:

Providing economic growth leadership;

Reduce the cost and improve the ease of doing business;

Establish and promote an innovative and competitive business environment;

Develop key skills to match the growing demand for appropriate skills for the economy and thereby enhance regional competitiveness;

Invest in key economic catalytic infrastructure;

Promote the global profile of Cape Town and the Western Cape; and

Promote trade and investment for Africa growth and development.

## **Demands and changes in service**

With the Country and Province tracking the global trend of slow economic growth, lower employment absorption levels and subsequent low business confidence levels, the demands for state services and intervention has increased dramatically to ensure the sustainability of business. This need has therefore necessitated the Department to intervene in the economy in an effective, proactive manner and ensure that it is easier for business to conduct their core activity of driving economic growth with subsequent growth in employment.

In this regard, the business community has identified the need for access to finance, red tape reduction, improving the skills of the labour market, Emerging economic themes and stimulus for SMMEs, energy and market access.

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

## **Performance environment**

The Western Cape economy is expected to grow by 1.9 per cent in 2019 according to the Provincial Economic Review and Outlook 2018. The Western Cape economy is driven by the services sector, which accounted for 63.6 per cent of the economy in 2017. 490 000 jobs were created over the past 7 years in the Western Cape. This bares testimony to a supportive environment for business. A review of growth rates by Western Cape districts shows that the highest growth rate in 2017 was recorded in the Eden district (2.9 per cent).

The Western Cape's economic output at district level is dominated by districts with larger urban areas. As urbanisation increases this trend will intensify. The Cape Metro remains the largest contributor to economic output in the Province at about 72 per cent.

In the fourth quarter of 2018 the BER's business confidence index for the Western Cape increased by 14.7 per cent, from 34 to 39 points, indicating increased confidence by the private sector in the Western Cape economy. This reading was higher than that of Gauteng and Kwa-Zulu Natal at 28 and 26 points respectively.

The BER' Consumer Confidence Index (CCI) for the Western Cape showed a sharp increase from -6 index points in the third quarter of 2018 to 15 index points in the fourth quarter of 2018. This indicates that consumer confidence is recovering after a difficult period. This bodes well for consumption expenditure and demand in the Western Cape over the coming months. The Western Cape's consumers were more confident than those in Gauteng and KwaZulu-Natal which had 11 and -15 CCI points, respectively.

Western Cape exports grew by 3.97 per cent to R129 billion in 2018. About a third of exports go to markets in Africa and a further 29 per cent go to Europe. The Western Cape's largest markets are Namibia (9 per cent), UK (7 per cent) and the Netherlands (7 per cent). The Western Cape accounts for 52 per cent of South Africa's agricultural exports, illustrating the sector's competitiveness.

After experiencing the worst drought in over 100 years the Western Cape has now positioned itself as one of the more water resilient regions globally. Climate change related risks were found to be the top 3 global risks in terms of likelihood by the World Economic Forum in 2019. The climatic challenges the Western Cape faced recently are clearly part of a wider global phenomenon.

The Western Cape was responsible for 51 per cent of jobs created in South Africa in 2018 Q3 on a year-on-year basis. This is according to employment data released by Statistics South Africa (StatsSA) in its Quarterly Labour Force Survey (QLFS). It showed that out of a total of 188 000 jobs that were created in South Africa, the Western Cape created 95 000 jobs. The QLFS data also shows that youth unemployment decreased in the Western Cape. Since 2010 the Western Cape has reduced youth unemployment by 2.2 per cent and created 122 524 jobs for youth.

The rate of unemployment in the Western Cape declined from 20.7 per cent in 2018 Q2 to 20.4 per cent in 2018 Q3 off the back of higher employment creation. The Western Cape had the lowest expanded unemployment rate in South Africa at 23.7 per cent in 2018 Q3, implying that workers found work more easily in the Western Cape compared to other provinces. All other provinces recorded an expanded unemployment rate of above 30 per cent. The Western Cape recorded the lowest non-metro official unemployment rate in South Africa at 19.1 per cent in 2018 Q3.

The Province had the highest labour absorption rate in South Africa at 54.5 per cent in 2018 Q3. A higher labour absorption rate means a greater proportion of those who want to work are gaining employment in the Province. This is 26 per cent higher than South Africa's rate of 43.1 per cent. The Province also recorded the highest labour absorption rate increase on a year-on-year basis at 1.0 per cent, which substantially outperformed South Africa's decrease of 0.2 per cent year-on-year. This is linked to the high rate of employment growth of 3.9 per cent year-on-year in 2018 Q3.

The overall employment outperformance of the Western Cape over the rest of South Africa means that the Province offers better economic opportunities, is more productive and is more inclusive.

## **Organisational environment**

The Department's strategy has been developed within the context and in accordance with the National Development Plan (NDP), the Medium Term Strategic Framework (MSTF) and the Western Cape Government's vision for the Province as espoused in OneCape 2040. With the aim on consolidating and streamlining the Province's strategic agenda for more effective service delivery, the Provincial Strategic Plan (PSP) was developed in 2014.

The Department, under the leadership of the Minister of Economic Opportunities, continued to express its commitment through maintaining a leading role in driving the Western Cape Government's agenda for Provincial Strategic Goal 1 (PSG1), namely to create opportunities for growth and jobs. PSG1 is delivered in collaboration with sister departments: Agriculture, Transport and Public Works and Environmental Affairs and Development Planning.

Despite water and energy challenges in the Province, as well as nationwide economic uncertainty, during the reporting period, the Department of Economic Development and Tourism, has remained resilient in its strategic approach, which is aimed at:

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

- Making it easier to do business by reducing red tape;

- Investing in high quality, efficient and competitive infrastructure;

- Rebranding the region to increase internal and external investment;

- Opening new and supporting existing markets for Western Cape businesses as well as identifying key enterprises wanting to enter export market;

- Ensuring our economic, social and environmental sustainability; and

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

Given the broad and transversal nature of the strategies, the current fiscal framework as well as the setting of an upper limit for Compensation of Employees (COE), the Department reviewed its Workforce Plan to ensure congruence between the needs and priorities of the Department with those of its legislative, regulatory, service and its strategic mandate.

In addition, the re-skilling and up-skilling of staff, with key factors to be considered, such as competency improvement, performance, transformation, diversification, talent retention and succession planning remain continuous priorities for the Department. This plan has and will continue to be the vehicle for the next 5 years to ensure that the Department utilises and develops its human capital optimally.

In compliance with budget austerity measures and COE guidelines, a Committee was established to ensure that posts crucial for service delivery, are filled. Thus, the Department continues to prioritise a strategic, talent-driven, vision-led Senior Management team, labour force and organisational culture.

## **Acts, rules and regulations**

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

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

- Businesses Act, 1991 (Act 71 of 1991)

- Consumer Protection Act, 2008 (Act 68 of 2008)

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

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

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

- Municipal Systems Act, 2000 (Act 32 of 2000)

- National Credit Act, 2005 (Act 34 of 2005)

National Small Business Act, 1996 (Act 102 of 1996)  
Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)  
Public Finance Management Act, 1999 (Act 1 of 1999)  
Tourism Act, 2014, (Act 3 of 2014)  
Western Cape Investment and Trade Promotion Agency Law, 1996 (Act 3 of 1996)  
Western Cape Liquor Act, 2008 (Act 4 of 2008)  
Western Cape Tourism Act, 2004 (Act 1 of 2004)  
Western Cape Consumer Affairs (Unfair Business Practices) Act, 2002 (Act 10 of 2002)  
Advanced Manufacturing and Technological Strategy (AMTS)  
ASGISA (Accelerated Shared Growth Initiative - South Africa)  
National Integrated Manufacturing Strategy (NIMS)  
National White Paper on the Development and Promotion of Tourism in South Africa, 1996  
Provincial White Paper on Sustainable Tourism Development and Promotion, 2001  
Tourism BEE Sector Charter, gazetted May 2009  
The Western Cape Tourism Development Framework  
The Western Cape Tourism Development Plan

## **Budget decisions**

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

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

The second phase of the approach examined how approved projects will be implemented and provide for the necessary value for money principles espoused by the Department.

The process of DEDAT's strategic review is driven by asking the following four guiding questions:

- Why did we adopt certain approaches?
- Do these approaches remain relevant?
- What are the gaps in the current strategy?
- Can we do things innovatively?

In this regard a clear mix of interventions was identified which would give effect to the prioritised areas of:

Ease of doing business;

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

Skills development for the economy;

Emerging themes and economic stimulus packages aimed at developing SMME's;

Response to the water crises;

Energy Game Changer; and

The Provincial priorities of Broadband and Green Economy.

Compensation of Employees (CoE) remains a critical factor in the allocation of the Department's budgetary envelope. In this regard, the Department has prioritised the filling of critical posts which will enhance service delivery against the upper limits set. All operations within the Department has also been assessed to ensure that the necessary staffing resource is assigned where most needed.

### **Aligning departmental budgets to achieve government's prescribed outcomes**

The Department's budget approach for the 2019/20 budget year is dominated by our commitment to deliver on the Provincial Strategic Plan; the Department's own 5-year Strategic Plan; the 3 Game Changers which we play a critical part of and the priority delivery included in Project Khulisa.

In addition to the key priorities listed in previous paragraph, the Department will continue to respond to the broader economic challenges in seeking to find solutions for issues such as: Reducing Unemployment (particularly Youth Unemployment) in the Province; Addressing challenges in the Informal Economy; Re-assessing the Province's position in the Global Economy; a renewed approach to stimulation of Regional Economic Growth Strategies by assisting municipalities to respond to local economic growth challenges and finally to play a greater role in the unfolding opportunities within the Digital Economy.

Through the partnership with our Public Entities, Wesgro and the Saldanha IDZ, and the Atlantis SEZ, we will continue to seek to grow the inward investment to the Province as well as championing our revised approach to Commercial Diplomacy and a greater global economic presence including the building of business confidence, not only in shaping of the strategic narrative, but also in the delivery of the message.

There is no doubt that the Department's greatest challenge is to reflect its pivotal role in driving economic confidence amongst all stakeholders (a "whole of economy" approach), when at the same time focus and specialisation is needed from a budget context.

**Accelerating growth and job creation** are critical imperatives for South Africa. The good news however, is that despite the growing lack in confidence and despair, as a nation and Province, we can achieve employment growth alongside economic growth.

In identifying the challenges and opportunities which exist, the Department identified the following priorities namely Khulisa sector development with a focus on Tourism, Agri-processing and Oil and Gas supply initiatives; Ease of doing business, Skills development; Energy and the Green economy; Innovation; and the Digital Economy.

The need for an appropriately skilled workforce is an essential building block of a vibrant, growing economy. Skills Development is therefore an enabler that will allow all sectors to absorb and create jobs.

The creation and enhancement of an enabling environment for business is recognised as fundamental to supporting a competitive economy. The amount of red tape and bureaucracy faced by stakeholders when dealing with government is considered a key constraint to economic development and growth. This in turn interferes with key elements that include the ability of business to compete in a global market place as a result of unnecessary costs and or delays the development of new enterprises and the sustainability and or growth of existing enterprises. This ultimately impacts negatively on the ability of the economy to reduce unemployment and alleviate poverty.

The **Ease of Doing Business (EDB)** as a Strategic Priority within PSG 1 has evolved to include not only red tape reduction, but also other key elements (e.g. government co-operation and co-ordination) in effecting an environment conducive to business development and growth.

The **Oil and gas sector** through Project Khulisa identified five strategic intents that have focused and prioritised activities and outputs for delivery by 2020. These activities and outputs contribute to the outcomes of increased GVA and direct jobs for the Oil and Gas sector. The five strategic intents are:

Develop suitable infrastructure.

Co-develop and coordinate skills development across the sector.

Enterprise Development.

Ease of doing business.

Marketing Coordination.

**Agri-processing** is already a large contributor to the economy and has the potential to scale. The implementation of Khulisa Agri-processing initiatives has been scaled up based on the achievements in the previous financial years. The collaborative approach between various Government Departments and Agencies has led to successful implementation of planned initiatives.

The **Tourism sector** is a sector of enormous and as yet untapped potential. Tourism is a major contributor to economic value and employment in the Western Cape. It directly contributes R17 billion in GVA and accounts for 204 000 formal jobs in the Province. Under a high growth scenario (which would entail the Western Cape matching the growth of successful tourism regions elsewhere in the world), the sector's GVA contribution could increase by 65 per cent, to R28 billion in 2019, and it could add a further 120 000 formal jobs over the same period.

**Renewables/Green Technology** can offer a major bump in short term; but only small contributions to long-term "real" jobs. The solar and wind capacity envisaged in terms of Eskom's Renewable Energy Independent Power Producer Procurement (REIPPPP) could see more than 80 000 jobs created during the construction phase – with a significant share of those being created in the Western Cape. In the long term, however, the renewables sector would support a much smaller number of jobs.

The themes, projects and programs listed above are amongst a series of interventions which the Department has implemented over the last 3 - 5 years. It is part of the Department's vision to ensure a thriving, growing and impactful economy, fundamental to the forming of the bedrock of the socio-economic environment which supports growth and job creating opportunities.

**Compensation of Employees** forms a significant component in the allocation of resources. Without the necessary human capital required to implement these projects and programs all work towards improving the economic outlook for the Province will be voided. Significant strides has been made to capacitate each of the delivery arms of the Department at the required productivity capacity to ensure success. However, significant play-offs needed to be made to ensure the Department is able to meet the growing demand.

## **2. Review of the current financial year (2018/19)**

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

In this regard, the Department has followed its consistent course of action, namely Project Khulisa, which enabled greater depth of intervention in specifically targeted sectors. This consistent and predictable strategic approach has led to numerous positives for the Province, most notably that the Western Cape has recorded to lowest unemployment rate in South Africa at 11.6 points lower than the national figure, a higher growth rate than the rest of South Africa and a business confidence rate which is 1 point higher than the national average.

### **Ease of Doing Business**

The Department's Ease of Doing Business strategy continued to deliver exceptional returns on investment, achieving the R1 billion target in red tape savings and economic benefits, set in the Provincial Strategic Plan 2014-2019, by the end of the year. The interventions which contributed to this achievement cut across several WCG departments and municipalities – an indication of the interdepartmental and intergovernmental approach that underpinned, and will continue to underpin, the work of the Department. In addition to targeting problems with potential for high-value returns, the Red Tape Reduction Unit also engaged departments on work that promoted interdepartmental co-ordination and co-ordination, such as alignment and synchronisation of various applications to government departments. An example is the work done by the Department of Environmental Affairs and Development Planning (DEA&DP), which is set to considerably reduce the time taken to consider and finalise applications cutting across that department, the Department of Agriculture, Heritage Western Cape and the national Department of Water Affairs and Sanitation. Furthermore, work was continued in the areas of abnormal load permits for movement of mobile cranes (with the Department of Transport and Public Works); issuing tourist signage (DT&PW); digitisation of issuing of veterinary export certificates (Department of Agriculture); applications for and renewal of tourist operator permits (National Public Transport Regulator at the Department of Transport). The unit also lobbied for, and contributed to the eventual granting by the national transport minister of, an extension on the moratorium on the implementation of a regulation that would limit the height of trailer-container combinations on South African roads to 4.3 metres – a move that brings the road freight industry, and with it, the national economy, to a standstill. That intervention underscored the increasing lobbyist role the Department plays, in this instance through its Red Tape Reduction Unit.

The Department continues to provide advice and assistance to businesses through the Red Tape Business Helpline. Whilst the number of cases has decreased (due to a new logging and reporting format), the economic benefits continue to increase, as businesses turn to the Helpline with increasingly complex problems, with concomitant increases in potential losses or, if successfully assisted, gains.

The third phase of the Red Tape Costing Tool (renamed Ease of Doing Business Impact Assessment Tool) project was completed and the final report shared with the stakeholders and contributors. Having been used successfully to track and calculate the collective benefit of the ease of doing business initiatives undertaken in the WCG and various municipalities, it will undergo further refinement and continue to be used to track performance in the area of red tape reduction and business environment improvement.

Our support to municipalities focused on the improvement of selected services that not only impacts on the investment and business environment, but also on local entrepreneurs and small businesses. The Municipal-Service-To-Business (MS2B) programme aims to reduce unnecessary cost to doing business in local areas and



the outcome sought is to have improved business facing services at municipal level. To date, improvement measures have been identified and recommended based on assessments done in 16 municipalities. The Department has facilitated the recommendations of improvement measures in 41 business-facing services at municipal level in the Province. The Department has provided support in digitising the processing of building plan application and approvals in 20 of the 24 local level municipalities in the Province. The first outcomes achieved in 2017 was that Drakenstein municipality reduced its average processing time from 30 days to 15 days. Improved timeframes for processing was recorded in 7 more municipalities in 2018 with an average of 5-days' time reduction.

The Department's initiatives to support SMME development has also recorded numerous gains during the 2018/19 financial year. The Department undertook an initiative together with the Provincial Treasury to enhance the ability of suppliers to procure and transact with government. Workshops have successfully been conducted across the Province, which reached about 610 suppliers across all municipal areas of the Western Cape.

Further to this, the Department also supported new and existing enterprises in Saldanha Bay and on the West Coast to allow for the uptake of opportunities offered by local corporates, parastatals and the Saldanha Bay Industrial Development Zone (SBIDZ) through the development of a procurement portal. The portal will ensure a single-entry point for SMMEs to determine opportunities available and to profile themselves to corporates, parastatals and SBIDZ and therefore becoming more visible and attractive to them. To date, 3 097 businesses are registered on the portal of which 736 businesses are located in Saldanha Bay. Of the enterprises in Saldanha Bay, 172 are business ready.

In collaboration with Pick 'n Pay, City of Cape Town, National Empowerment Fund, Masisizane, Old Mutual, and Brimstone, the Department embarked a Township Economy Revitalisation Initiative which involved the conversion of existing spaza shops within townships into independently owned mini-supermarkets. The initiative involves improving the infrastructure (building, machinery and equipment) in the township retail sector which will directly lead to an increase in employment opportunities and turnover.

The unit successfully hosted the Western Cape Funding Fair, a partnership between Deloitte and the Department, which aimed to facilitate face-to-face contact between entrepreneurs and various funding institutions within the region. The Funding Fair provided a platform to educate and empower project promoters and entrepreneurs on the holistic approach and processes to follow in turning ideas into bankable business plans that have a higher probability of attracting the right type of funding and investment. The Funding Fair will attract over 1 000 delegates and supported by 25 funders who formed part of the 30 exhibitors on the day.

The Investment Readiness Programme served to assist and develop the capacity and capability of entrepreneurs and business owners in acquiring businesses finance. The programme provided a capacitation session where information relating to the investment process, investment requirements and technical information is transferred to businesses. In addition to the learning experience, the investment readiness sessions provided a platform for networking sessions with funders.

The unit continued to engage with Casidra and the National Empowerment Fund (NEF) to manage its financial assistance programmes. The SMME Loan Fund managed by Casidra offered contract finance ranging between R10 000 and R100 000 to SMMEs operating in the Western Cape. The Department, through its long-standing relationship with the NEF, assisted Western Cape based businesses with loan funding.

The Oil and Gas Supplier Development Programme aims to develop and grow oil and gas businesses to exploit opportunities within existing and new supply chains. The businesses are developed through a structured process (business turnaround or business improvement) to ensure that the business is able to move up the

value chains of the oil and gas sector. The programme focuses on improving the entrepreneur's skills and the competitive position of the business (scale and efficiency).

The Advanced Emerging Business Support Programme (EBSP) focused on equipping Small and Micro Enterprise (SME) owners with the relevant business knowledge and skills to enhance their growth, viability and sustainability. The programme assisted close to 100 entrepreneurs across the Province through a five-day accredited training workshop with the relevant business knowledge and skills.

### **Project Khulisa Interventions**

Project Khulisa is the key sector strategy followed within the Department. This strategy notes the prioritisation of three key sectors for the Western Cape which would change the trajectory for economic growth and job creation within the Province. These sectors are Agri-processing, Tourism and the Oil and Gas Supply sectors.

The progress made in the **Agri-processing** sector in the 2018/2019 financial year pertains to 5 priority focus areas namely:

The Halal Industrial Park (HIP)/Halal Investment prospectuses: The pre-feasibility study (Phase 1) was concluded and in Phase 2 investor prospectuses was developed. WESGRO, in partnership with DEDAT and Department of Agriculture (DoA), are leading the Investor/Developer Recruitment efforts. The scope of the project was broadened from just promoting investment into the three identified, to the whole of Western Cape leading to Western Cape being positioned as a Halal Hub.

Halal Export Promotion: WESGRO assisted companies to participate in outward missions to Senegal, Nigeria, UK, Thailand, Indonesia, Malaysia, Singapore, etc. to increase halal exports from the Western Cape. Wesgro together with the Department hosted the inaugural Africa Halal Week in October 2018 which was a great success overall and there has been positive feedback from exhibitors, buyers, delegates, sponsors, partners and stakeholders. 66 exhibitors displayed their products in the food, beverage, fashion and services (tourism) sectors, 20 international buyers of halal products attended which formed part of the 25 international guests and a total of 777 guests registered for the event. According to Wesgro, the event generated R3 274 129 in Advertising Value Equivalent (AVE), 14 551 352 in OTS (reach), 322 engagements and 218 re-shares.

Halal Certification – Global Best Practice: Following a Halal Gap Analysis in 2017/18 financial year, the Department started an initiative to develop a programme to build the capacity of Halal Certifying Bodies (HCB's) in the Western Cape to the extent that they may over time, be accredited by the international accreditation bodies to enable them to access all Halal export markets. The programme is targeted at the main Halal Certification Bodies and it is aimed at closing the gap that exists between the Halal Certification and Standards status quo in South Africa and the requirements in the targeted export markets.

Wine Export Promotion to Angola and China: DEDAT through WESGRO in partnership with DoA and Wines of South Africa (WOSA) is implementing this project in 2018/19. Since inception, buyers, Candando Supermarket and media from Angola were hosted in Cape Town and were taken to the wine estates within the Province. In Angola, Shoprite plays an important role to support the in-market wine tastings and to provide a distribution network. Based on these in-store tastings, Shoprite has noticed a positive difference in SA wine sales. Through hosting several Key Opinion Leader (KOL) events in China, it exposed Chinese stakeholders to the WC wines to that region. There has been a decline of wine exports to Angola and China and after strategic review, target markets selected for this project will be expanded in 2019/20 financial year.

Improving local capacity – Import Substitution: This project is being implemented internally as the allocated budget was reprioritised to other Departmental priorities. The focus of the Unit's engagements is to meet with the decision makers, mainly Directors, MDs and CEOs of companies, to discuss their input sourcing strategies.

Big companies such as Astral Foods, Ceres Fruit Processors, Parmalat, Tongaat-Hullett Starch, FairCape Dairies, Ashton Kelders, etc. have been engaged.

In relation to the **Oil and Gas** sector activity in 2018/2019 the oil price went up to \$80 per barrel during 2018 and created expectations of increased investment in the upstream exploration activities but due to oversupply came down again towards the end of 2018 and will trade between \$55 - \$65 per barrel until new developments materialise.

The SBIDZ is putting the necessary infrastructure in place to attract investors into the IDZ zone, but one of the major delays is still the development of the Moss gas Jetty and Berth 205 that will provide the necessary space and opportunities for vessel repair, maintenance and fabrication. The success stories on this lever includes the signing of the operator agreement for the Offshore Supply Base quay as well as the in-principle approval for seeding capital by DTI (SEZ fund) to develop the infrastructure projects in Saldanha. There are currently engagements with TNPA on the upgrading of the infrastructure and other facilities at the dry-docks and Synchrolift at the Cape Town Port to improve the effectiveness on providing marine manufacturing and engineering services to vessels that are passing our coastline.

The Saldanha Bay IDZ has begun moving into an operational phase during the current year. The transition to commercial implementation includes a revised Board of Directors, which will now include members from the local business community; the Oil & Gas, and Marine Fabrication industry and the broader business community, along with those currently nominated by the state.

The transaction to purchase the adjoined land from the IDC has been finalised and the property is in the process of being transferred to the SBIDZ.

The lease agreement with the TNPA for the first portion of 35 hectares of conjoined port land has been finalised, and in the process of finalising the 23.3 hectares to be sub-let to the Offshore Supply base operator. The finalisation of these three transactions will allow investors certainty of tenure, and the IDZ to conclude certain eminent leases within the investment pipeline.

In terms of infrastructure, the civil works within the port has completed the basic earth works (550 000 cubic meters of material moved), and is in the process of installing the basic internal infrastructure. This will be completed in the later part of the 2020 year, and will include provision of basic infrastructure within the 23.3 hectares allocated to the Offshore Supply base over and above the 35 hectares leased directly from the port. Construction of the access complex was also initiated during this year, and is also due for completion in the latter half of 2020.

A total of 6 investor deals have been concluded to date, with a further related investment being the appointment of an operator of the Offshore Supply Base (OSB), which is in the process of being incorporated within the SBIDZ.

The IDZ continued with the training of students on fitting and turning, rigging, boiler making and welding and the Departmental Artisan Development Programme continued to place more than 150 mechanical related, welders and boilermaker trainees in companies and prepared them for trade testing. IDZ and SAOGA are also participating in Operation Phakisa Skills Forum meetings to ensure alignment between national and provincial skills development programmes.

The details of 3 059 SMMEs are listed on the Grow-Net portal that includes 703 from the Saldanha Bay region and of which 180 are verified to access local opportunities whilst others will be assisted through enterprise and supplier development programmes. IEDs are assisting 15 companies with supplier development interventions that will make them more competitive or enable them to promote their capabilities more effectively.

The Ease of Doing Business Unit continued to address red tape issues around immigration, abnormal loads and rebates on the importation of oil and gas related equipment. The two main issues currently on the agenda is the establishment of space for DHA at Mossel Bay Port to provide customs services as well as the matter on high cube containers that must comply with regulation of 4.3 m heights.

Project Khulisa has identified **tourism** as a major contributor to the economy and employment in the Province and performance for 2018/19 has been satisfactory. The Growth Value Add has increased by R10 billion whilst the employment in the Province stands at 217 514 across the tourism industry.

The unveiling of the Madiba statue on the balcony of the City Hall was a great success with tourist numbers beginning to show an increase. The cycle tourism strategy remains one of the niche markets in tourism, and this year saw the launch of 3 new routes with a major increase in international and local tourist through cycling.

The Cape Town Air Access worked tirelessly at advancing connectivity to Cape Town through facilitating direct access to the City and expanding routes with 13 new routes and facilitating 14 route expansions. Following the drought, the tourism industry partners, private and public sectors, launched a "Nowhere Does it better Campaign" a white label campaign, to re-ignite people passion in the destination and to show the world that the Western Cape is always open for business.

### **Digital Economy**

Although the Department received no earmarked allocation for the 2018/19 Broadband Game-Changer, the following was achieved through the Department's baseline budget:

Continued support for our digital skill imperatives through the expansion of I-CAN Learn digital literacy programme which has established strong partnerships for digital training content with IBM and Google. In 2018/19, the I-CAN Learn training kicked off in 6 new locations namely: Picketberg library, Velddrift library, Goedgedacht library, Porterville library, Saldanha Youth Café, and Bredasdorp Youth Café.

The development of the tech start-up ecosystems and the positioning of the Western Cape as a leading global digital hub has underpinned the focus of the Department to respond to the fourth industrial revolution. A multi-stakeholder collaborative approach with significant role-players in the Western Cape tech ecosystem have been shaping the unique value-proposition and messaging approach for local citizens and businesses, as well as national and foreign investors as WCG, we shape the charge for the Western Cape to be recognised as a leading global digital hub. In parallel, the Department has continued to support the first African Ed-Tech incubator, bringing together African developed tech solutions into the education environment. A number of the tech start-ups in the incubator have been prototyping their solutions in Western Cape schools as a result, developing a symbiotic relationship between technology entrepreneurs and the local schooling system.

In 2018/19, the Department launched our mobile-first business support digital platform as part of the Department's digital adoption support programme for SMMEs aimed at fostering entrepreneurship and improved efficiencies and opportunities. The platform called JUMP, provides access to mapped services, tools and resources, opportunities and events for Western Cape small business.

DEDAT also continued to support the 178 WC public access wi-fi initiatives to improve citizen and business access to the internet during 2018/19, as the project transitions to the Department of the Premier.

### **Green Economy**

The Atlantis Greentech Special Economic Zone (SEZ) was designated in October 2018. This will play a critical role in solidifying the WCG's objective of being a green economy hub, supporting jobs and growth in the green technology space. The Atlantis SEZ has already attracted R680 million in investment, creating 312 jobs with 11 new investors already showing significant interest in the SEZ.

The Economic Water Resilience Workstream led by DEDAT continued to support thousands of businesses to (1) help reduce their water consumption; (2) help implement their own water supply augmentation; (3) develop business continuity plans for water shortages; and (4) strengthen water sector businesses. To address systemic issues, DEDAT has been driving three key projects during 2018/19: (1) Economic water balance - better understand where water is currently and likely to become a constraint to economic growth across the WC; (2) exploring financial mechanisms and models that would lead to increase economic water resilience and (3) improving the water resilience of the agri-processing sector.

The Green Economy's energy projects, complementing the Energy Game-changer, are aimed at ensuring that there is enough power for growth that is sustainable, low-carbon and has supported market development of the following:

Solar PV: through two municipalities exploring wheeling/energy trading and further municipal adoption of Small Scale Embedded Generation (SSEG) feed-in tariffs - with R17 million of invested in Solar PV in 2018/19 (and R50 million over the last few years) through CEO engagements undertaken in conjunction with the Energy Security Game Changer.

Electric vehicles and alternative finance: intelligence reports and briefs.

Liquefied Natural Gas (LNG): USTDA funded technical feasibility study into importation of LNG for power and gas based industrialisation and as well as investigating energy use in the transport sector.

Green Economy Communications: have been ramped up with a revamp and population of the 110 per cent Green website and upscaled use of social media to promote information sharing on issues relating to carbon tax, waste, water and energy.

To achieve a more energy secure Province, the Energy Security Game Changer has focussed on creating an enabling environment for energy efficiency, solar PV and the diversification of energy sources. The uptake of small scale embedded generation (SSEG) has increased markedly with the adoption of the necessary legal frameworks by 22 out of the 25 municipalities in the Province (which allow for grid-tied SSEG), and 18 of these municipalities have a NERSA-approved feed-in tariff. Supported by a communications campaign, there is now an estimated 112 MW (target of 135 by 2020) of installed solar PV in the Province (business and household installations). Part of this is due to direct engagements with CEOs of large businesses in the Western Cape over the last few years that have led to 3.3 MW installed to date (R50 million of private investment), including South Africa's first floating PV system. The Western Cape Government continues to lead by example, with R42.6 million invested in 13 PV systems and electricity consumption in Provincial buildings reduce to 145.2 kWh/m<sup>2</sup> – 38 per cent below the industry benchmark. To diversify our energy supply, the Energy Security Game Changer continues to support the roll-out of IPPs and importation of LNG.

### **Skills Development**

The Apprenticeship Game Changer ends as a stand-alone programme on 31 March 2019 and the various projects have been integrated into the work of Programme: Skills Development and Innovation.

A specific innovative success, achieved through the Game Changer, was the first ever fully demand driven skills development approach in the Province that focused on specific occupations required within the five prioritised economic growth sectors of the Western Cape economy.

Data from all of the SETAs; the National Artisan Development Support Centre; and the Work and Skills projects supported through the Programme was analysed every three months to track the registration of learners on these specific occupations.

Between April 2016 and September 2018, a total of 10 471 learners were verified, through data analytics, as having started on programmes for such occupations. This demand driven approach was supported by highly

innovative career awareness and employer awareness campaigns using a variety of media mechanisms, including social media to promote the game changer occupations.

The emphasis on a focused demand driven approach supported by a well-resourced communication campaign appears to have had a positive effect. Emerging research on the number of persons registering for trade tests for the thirteen national priority artisan trades in the Province show an increase from 1 392 in 2016 to an estimated 2 000 for 2018. This a significant achievement considering the sluggish economy and that the Western Cape has never traditionally been an industrialised economy that requires large numbers of artisans.

### **Alcohol-Harms Reduction Game Changer**

As support to the Alcohol-Harms Reduction Game Changer, the Department initiated a project entitled "I-CAN Play" which aims to provide alternate recreational activities in the two targeted townships. Additionally, and within the context of the Department of Economic Development and Tourism's mandate, the I-CAN Play project is also about introducing digital gaming into the community as a mechanism to introduce township youth to the digital economy, nurture digital literacy and skills, and support the development of the fast-growing local gaming industry. Additionally, DEDAT used the intervention to test the I-CAN Play entrepreneurial model in 2018/19 in two locations, namely Khayelitsha and Gunya.

The Khayelitsha site, located at Lookout Hill, successfully completed its pilot phase, having achieved more than 400 members, against the targeted 300 members. The development of the Gunya pilot site has been delayed by several systematic issues which affected this commencement within the financial year, most notably the finalisation of the municipal property approval process. The hurdles of trying to execute new and innovative approaches to project delivery will always include some successes and some complications

## **3. Outlook for the coming financial year (2019/20)**

The road ahead will not be a simple one. There will be many pitfalls; however, the Department believes that we should stay the course of our recent successes. In this regard, the Department will continue its 2019/20 and medium-term plans as follows:

### **Ease of doing Business**

In seeking to improve the business environment in the Province, the Department will embark on a drive to establish baselines for the cost of doing business across various industry sectors and sub-sectors over a period of 3 – 5 years, then seek to reduce those costs by improving efficiencies of business processes, lobbying for enabling legislation and improve communication to and with businesses. The Business Support Helpline will continue to be used to provide tailored support to individual businesses facing red tape-related issues, and the consideration of the improvement of services dispensed by government-to-business, and the roll out of the Lean philosophy and management system across the WCG departments will continue. In addition, the Department will pursue its aim of establishing and contributing to a national Red Tape Reduction Forum, in order to improve national government service delivery in the Western Cape.

Our support to small businesses and the promotion of entrepreneurship will be underpinned by two sources of funding – our annual allocation as per the MTEF and an additional R20 million SMME Booster Support Programme. Regarding the former we will continue our support through major interventions that include the continuation of the DEDAT/NEF Support, the DEDAT-Pick n Pay Spaza Shop Revitalization programme, strong mentorship and training programmes aimed at SMMEs as well as the procurement promotion programme (in collaboration with Provincial Treasury) that not only will result in an economic procurement policy for the

Western Cape Government, but focused efforts to increase procurement opportunities for emerging small businesses.

The SMME Booster Programme will see focused support going to high growth-potential and youth owned SMMEs, business in distress due to resource constraints (such as water and energy) and employing mostly lower skilled workers, supplier development and supply chain linkages between small businesses and corporates in both the private and public sectors, and infrastructure development in townships specifically related to decent business premises and storage facilities. Although open to all requests for support from SMMEs and organizations across the province, for the 2019/20 year the areas of Mossel Bay, Saldanha (IDZ), Atlantis (SEZ), Oudtshoorn and Overstrand will be the focus. Other areas will then be considered for the remaining 2 MTEF periods.

In improving the business facing services offered by municipalities, the Department will focus much attention on the implementation of systems at various municipalities in this regard, systems will be procured that will enable municipalities to speed up drawn out processes through the digitisation of various workflows thereby reducing time and costs for both the municipality as well as its clients.

### **Project Khulisa Initiatives**

For Tourism in 2019/20 the focus will on the establishment of the Western Cape Tourism Master Plan (WCTMP), a comprehensive long-term strategy that provides the structural framework for success in the development, marketing, management and monitoring of tourism while pre-empting problems and mitigating impacts. For Destination Western Cape to continue to provide an unforgettable experience it will need to vigorously manage its strategic direction, product offering and investment opportunities. Linked to this it will need to continuously improve its current infrastructure which is an important component in the total offering to the visitor.

### **Catalytic Initiatives**

Atlantis SEZ: It is expected that the zone will attract a further R3.7 billion of investment by manufacturers of wind blades, smart meters, batteries, wind turbines, solar water heaters, solar PV, and by other players in the waste, agri-processing, water tech, gas and chemicals value chains. Nearly 3 000 jobs are expected to be created by 2030 and a total of 24 000 full time equivalent jobs expected to be created over 20-year lifespan if these investments are realised.

Economic Water Resilience: Work is continuing to build economic water resilience in the Province in order to sustain existing businesses and to enable further economic growth. This will include supporting businesses in improving their own water resilience and efficiencies, helping the water sector to grow and unlocking systemic issues to economic water resilience.

Energy: The focus is to continue to build the WC's resilience to energy security challenges and energy costs and to lower the carbon footprint of the Province. This will be through supporting municipalities on wheeling and SSEG to allow for more effective feed-in tariffs; further development of EV opportunities and to continue to drive LNG importation for diversification of energy mix and gas based industrialisation.

Waste economy: DEDAT will continue to support the growth of the waste economy by coordinating the various role players and the unblocking of challenges the sector might face when it comes to growing businesses and creating jobs. DEDAT will also play an active role in supporting industry with the implementation of the Industry Waste Management Plans (IWMPs) that are currently under review by the national Department of Environmental Affairs (DEA).

During 2019/20, the Digital Economy unit will continue to develop and strengthen its partnership approach to programmatic delivery. The I-CAN Learn model builds on digital literacy content which developed by trainers

and technology companies like Google, IBM and others. We will continue to pursue additional content from other significant actors in the digital economy to enhance the offering to citizens. Additionally, the LEARN programme has been driven through libraries and youth café's and during 2019/20, the future roll-out will continue to maximise existing infrastructure in communities, be it government- or privately owned.

In the tech ecosystem space, we will be leveraging off the expertise and credentials developed by the technology incubators and accelerators to enhance and expand the support provided to local tech start-ups.

Through the JUMP platform, DEDAT will continue to crowd-in sponsors, partners and stakeholders' active in the Western Cape SMME ecosystem to enhance the offering and services to small business owners. The digital platform allows the Department greater scale and reach to entrepreneurs across the expanse of the Province.

With a portion of the additional budget availed to the Department to stimulate economic growth, the Department will be focusing on stimulating job creation and resilience in targeted municipalities and townships. With respect to these targeted locations, the Department will be taking a holistic economic approach, utilising a range of economic tools at the Department's disposal, such as business integration into sector value-chains and procurement opportunities, business incentivisation and SMME support (financial or non-financial), resilience-building projects via the Green Economy's waste initiatives, skills development, and economic development infrastructure projects. These interventions will be undertaken in collaboration with the municipalities and communities, and aims to address both systematic and short-term challenges facing the peri-urban and rural areas. The target will be to support 288 businesses, potentially facilitating and/or sustaining over 650 jobs by the end of the 2019 MTEF.

### **Skills Development**

The innovative Apprenticeship Game Changer projects have been integrated into Programme 7 and efforts have been made to refocus the approach taken by the Programme.

A more intense data driven, demand based approach is being entrenched as well as a consistent communication messaging campaign as well for learners and for employers to take on learners into workplace based learning programmes such as apprenticeships.

The Programme will also shift more of its focus and resources progressively over the MTEF to support the implementation of the modern occupational qualifications and part qualifications in partnership with the TVET College Centres of Specialisation and the Apprenticeship of the 21st Century (A21) Programme driven by national Government.

A formal structured Memorandum of Agreement between DEDAT, Programme 7 and the Department of Higher Education and Training is now in place that will further grow the collaboration and support from the SETAs and TVET Colleges in the Province.

This relationship with national government is especially important in relation to leveraging funds from SETAs and the National Skills Fund through the TVET Colleges to drive a more regional, district based skills development strategy in the Province.

The regional approach includes growing and replicating the work of the Garden Route Skills Mecca and the West Coast Business Development Forum approach to other districts in the Province.

### **Consumer protection**

The Programme is primarily the implementer of Legislative obligations on a national and provincial level (Consumer Protection Act, National Credit Act, Western Cape Consumer Affairs Act). Consumer Protection,



including the statutory redress service and the consumer education service will be maintained during the new financial year. This is primarily due to the statutory obligations which vest in the Programme.

Currently the office utilises a contact centre for the lodgement, recording, tracking and reporting of cases for investigation. This platform will be enhanced so that other digital offerings can be included. This is specific to the consumer education service and will include social media and other communication campaigns.

The expansion of the statutory redress service which will include the operationalisation of a consumer tribunal service. This is part of the statutory functions of the Programme.

## **4. Reprioritisation**

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

The above context and priorities cannot be achieved through working in a silo approach. It is the conviction of the Department that following a silo approach will ultimately lead to extreme wastage of resources and ultimate failure.

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

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

## **5. Procurement**

Procurement forms an extremely strategic function within the Department due to the nature of our service offerings. A key component of this Department's success includes the achievement of value for money; and the promotion and enhancement of the service delivery environment. In this regard, the Department regularly reviews its procurement strategy to ensure that the delicate balance of obtaining value for money and the procurement policies and practices is always maintained and where possible optimised.

Finding this correct balance is extremely important to ensure that our procurement systems and processes match our performance delivery environment. In this regard, the Department's procurement strategy promotes the development of service provider panels, longer term Service Level Agreements (legally binding contracts between service providers and the Department) and the promotion and implementation of Lean Methodology practices to ensure more efficient processes.

During the budget process, the Department placed much emphasis on the demand management aspect within all Project Implementation Plans (Project Plans) in order to ensure that each individual project undertakes the most appropriate procurement strategy. By following this approach to procurement planning, the Department ensures greater strategic alignment to the performance and service delivery environment.

## 6. Receipts and financing

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

**Table 6.1 Summary of receipts**

Receipts R'000	Outcome						Medium-term estimate			
				Main appro- piation  2018/19	Adjusted appro- piation  2018/19	Revised estimate  2018/19	% Change from Revised estimate			
	Audited	Audited	Audited							
	2015/16	2016/17	2017/18				2019/20	2018/19	2020/21	2021/22
Treasury funding										
Equitable share	336 079	352 794	375 698	399 856	389 820	389 092	490 395	26.04	529 011	554 395
Financing	45 134	205 532	19 181	33 291	35 204	35 204	32 639	( 7.29)		
Asset Finance Reserve	15 000	65 000								
Provincial Revenue Fund	30 134	140 532	19 181	33 291	35 204	35 204	32 639	( 7.29)		
Total Treasury funding				433 147	425 024	424 296	523 034	23.27	529 011	554 395
Departmental receipts										
Sales of goods and services other than capital assets	428	320	438	315	315	423	333	( 21.28)	351	371
Transfers received					3 603	3 606		( 100.00)		
Interest, dividends and rent on land	42		39			27		( 100.00)		
Sales of capital assets		22	22			16		( 100.00)		
Financial transactions in assets and liabilities	12 191	717	3 925			574		( 100.00)		
Total departmental receipts				315	3 918	4 646	333	( 92.83)	351	371
Total receipts				433 462	428 942	428 942	523 367	22.01	529 362	554 766

### Summary of receipts:

Total receipts increase by R94.425 million or 22.01 per cent from R428.942 million in the 2018/19 revised estimate to R523.367 million in 2019/20.

### Treasury funding:

Equitable share funding increases by R101.303 million or 26.04 per cent from R389.092 million in the 2018/19 revised estimate to R490.395 million in 2019/20.

### Departmental receipts:

Included in the Department's total allocation for 2019/20 is the projected Departmental receipts of R333 000 as a result of estimates for Sales of goods and services other than capital assets in respect of the registration of Tourist Guides Registration fees.

## Donor funding (excluded from vote appropriation)

None.

## 7. Payment summary

### Key assumptions

The key cost drivers of the wage agreement over the 2019 MTEF have been revised. The inflation projections, cost of living adjustments, housing allowance and medical allowance increases to be applied are as follows:

CPI projections:

2019/20: 5.4 per cent

2020/21: 5.6 per cent

2021/22: 5.4 per cent

### National priorities

The national priorities have been incorporated into the provincial priorities.

### Provincial priorities

Strategic Goal 1: Create opportunities for growth and jobs.

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

### Programme summary

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

**Table 7.1 Summary of payments and estimates**

Programme R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate 2018/19	2019/20	2020/21	2021/22
1. Administration	40 330	51 656	58 067	65 221	59 236	59 236	67 555	14.04	63 151	67 040
2. Integrated Economic Development Services	53 802	41 661	37 174	44 053	45 428	45 428	68 365	50.49	93 462	97 741
3. Trade and Sector Development	57 663	55 591	49 542	48 769	47 659	47 659	63 571	33.39	65 948	67 755
4. Business Regulation and Governance	10 868	10 479	10 600	10 803	9 689	9 689	9 900	2.18	10 502	11 213
5. Economic Planning	138 785	296 135	129 350	140 853	139 614	139 614	189 271	35.57	170 520	175 318
6. Tourism Arts and Entertainment	39 882	49 341	53 397	54 782	56 182	56 182	60 154	7.07	62 963	66 511
7. Skills Development and Innovation	52 544	54 522	61 173	68 981	71 134	71 134	64 551	(9.25)	62 816	69 188
<b>Total payments and estimates</b>	<b>393 874</b>	<b>559 385</b>	<b>399 303</b>	<b>433 462</b>	<b>428 942</b>	<b>428 942</b>	<b>523 367</b>	<b>22.01</b>	<b>529 362</b>	<b>554 766</b>

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

## Summary by economic classification

**Table 7.2 Summary of payments and estimates by economic classification**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	210 110	218 257	221 616	243 112	241 305	241 241	<b>277 323</b>	14.96	297 012	316 525
Compensation of employees	98 052	104 660	115 365	136 246	129 445	129 445	<b>153 156</b>	18.32	155 418	166 433
Goods and services	112 058	113 597	106 251	106 866	111 860	111 796	<b>124 167</b>	11.07	141 594	150 092
<b>Transfers and subsidies to</b>	177 948	337 424	171 579	185 842	183 224	183 239	<b>239 487</b>	30.70	225 450	230 967
Provinces and municipalities			1 500							
Departmental agencies and accounts	86 459	204 453	124 833	143 333	143 336	146 711	<b>190 352</b>	29.75	173 574	176 279
Higher education institutions					2 000	2 000		( 100.00)		
Public corporations and private enterprises	2 831	5 950	3 530	10 500	11 350	7 975	<b>9 000</b>	12.85	9 504	10 017
Non-profit institutions	75 693	117 866	30 611	24 009	16 824	16 824	<b>17 375</b>	3.28	18 337	19 339
Households	12 965	9 155	11 105	8 000	9 714	9 729	<b>22 760</b>	133.94	24 035	25 332
<b>Payments for capital assets</b>	5 692	3 528	5 997	4 508	4 348	4 397	<b>6 557</b>	49.12	6 900	7 274
Machinery and equipment	5 426	3 516	5 348	3 536	3 846	3 895	<b>6 055</b>	55.46	6 372	6 717
Software and other intangible assets	266	12	649	972	502	502	<b>502</b>		528	557
<b>Payments for financial assets</b>	124	176	111		65	65		( 100.00)		
<b>Total economic classification</b>	393 874	559 385	399 303	433 462	428 942	428 942	<b>523 367</b>	22.01	529 362	554 766

### Infrastructure payments

None.

### Departmental Public Private Partnership (PPP) projects

None.

### Transfers

#### Transfers to public entities

**Table 7.3 Summary of departmental transfers to public entities**

Public entities R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
Casidra SOC Ltd		3 000			3 375	3 375	<b>5 000</b>	48.15	5 280	5 565
Western Cape Investments and Trade Promotion Agency	57 500	74 227	76 675	87 699	87 699	87 699	<b>116 163</b>	32.46	131 006	136 223
Western Cape Saldanha Bay IDZ Licencing Company SOC Ltd	28 958	129 824	46 155	55 632	55 632	55 632	<b>74 187</b>	33.35	42 566	40 054
<b>Total departmental transfers to public entities</b>	86 458	207 051	122 830	143 331	146 706	146 706	<b>195 350</b>	33.16	178 852	181 842

## Transfers to other entities

**Table 7.4 Summary of departmental transfers to other entities**

Entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
Cape Craft Design Institute	6 500	9 375	375							
South African Oil and Gas Alliance	7 000	4 900	2 100							
Cape Information and Technology Initiative	3 615	4 091	2 100	500	500	500		( 100.00)		
Bpesa	3 000	1 050	450							
Cape Clothing and Textile Cluster	1 500	571	300							
Western Cape Tooling Initiative	2 200	1 700	300							
Clotex	1 000	700	300							
Cape Town Fashion Council	1 500	1 050	450							
Convenco	15 000	65 000								
Western Cape Fine Food Initiative	3 000	2 100	900							
Western Cape Economic Development Partnership	7 000	9 654	10 136	10 424	10 424	10 424	11 325	8.64	11 948	12 605
GreenCape	16 480	14 025	10 800	7 685						
National Empowerment Fund	6 448		2 000	5 000	5 000	5 000	5 000		5 280	5 565
Genesis IT Initiative	750	750	400	400	400	400		( 100.00)		
Cape Digital Foundation	700	1 400								
<b>Total departmental transfers to other entities</b>	<b>75 693</b>	<b>116 366</b>	<b>30 611</b>	<b>24 009</b>	<b>16 324</b>	<b>16 324</b>	<b>16 325</b>	<b>0.01</b>	<b>17 228</b>	<b>18 170</b>

## Transfers to local government

**Table 7.5 Summary of departmental transfers to local government by category**

Departmental transfers R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
Category B			1 500							
<b>Total departmental transfers to local government</b>			<b>1 500</b>							

## 8. Programme Description

### Programme 1: Administration

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

## **Analysis per sub-programme**

### **Sub-programme 1.1: Office of the Head of Department**

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

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

### **Sub-programme 1.2: Financial Management**

to provide an effective financial management function

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

to provide planning and budgeting support to the Department

to make provision for maintenance of assets

### **Sub-programme 1.3: Corporate Services**

to provide a strategic support function to the Department

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

to render communication services to the Department

to monitor and evaluate Departmental performance

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

## **Policy developments**

The Department supports both, Provincial Strategic Goal 1 (PSG 1): Create opportunities for growth and jobs and PSG 5: Embed good governance and integrated service delivery through partnerships and spatial alignment.

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

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

## **Changes: Policy, structure, service establishment, geographic distribution of services, etc.**

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

## **Expenditure trends analysis**

The budgeted allocation for the Programme has increased from R59.236 million (revised estimate) in 2018/19 to R67.555 million in the 2019/20 financial year, thus an increase of R8.319 million or 14.04 per cent. The increase is mainly due to the realignment of funding from the 2018/19 financial year to the current financial year for the Skills Development evaluation, Energy Game Changer Communications projects and strategic projects.

**Strategic goal as per Strategic Plan****Programme 1: Administration**

Create opportunities for growth and jobs.

**Strategic objectives as per Annual Performance Plan**

To achieve the highest level of financial governance and maximise service delivery through excellence.

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

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

To strengthen institutional governance for improved service delivery.

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
1. Office of the HOD	5 423	7 417	6 054	16 056	10 764	10 764	12 143	12.81	7 750	8 304
2. Financial Management	24 847	26 714	31 610	36 419	35 319	35 290	39 381	11.59	41 066	43 402
3. Corporate Services	10 060	17 525	20 403	12 746	13 153	13 182	16 031	21.61	14 335	15 334
<b>Total payments and estimates</b>	<b>40 330</b>	<b>51 656</b>	<b>58 067</b>	<b>65 221</b>	<b>59 236</b>	<b>59 236</b>	<b>67 555</b>	<b>14.04</b>	<b>63 151</b>	<b>67 040</b>

**Earmarked allocation:**

Included in Sub-programme 1.1: Office of the HOD is an earmarked allocation amounting to R2 000 000 (2019/20) for the purpose of Economic emerging themes and Job creation stimulus.

Included in Sub-programme 1.3: Corporate Services is an earmarked allocation amounting to R1 470 000 (2019/20) for the purpose of supporting the Energy Game Changer (Communications).

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	36 666	49 421	53 456	61 719	55 453	55 451	61 517	10.94	56 813	60 359
Compensation of employees	22 264	33 492	36 324	43 809	41 519	41 519	44 223	6.51	46 858	49 867
Goods and services	14 402	15 929	17 132	17 910	13 934	13 932	17 294	24.13	9 955	10 492
<b>Transfers and subsidies to</b>	16	35	57	2	10	12	2	(83.33)	2	2
Departmental agencies and accounts	1	3	3	2	5	5	2	(60.00)	2	2
Households	15	32	54		5	7		(100.00)		
<b>Payments for capital assets</b>	3 648	2 125	4 500	3 500	3 710	3 710	6 036	62.70	6 336	6 679
Machinery and equipment	3 488	2 123	4 500	3 500	3 710	3 710	6 036	62.70	6 336	6 679
Software and other intangible assets	160	2								
<b>Payments for financial assets</b>		75	54		63	63		(100.00)		
<b>Total economic classification</b>	40 330	51 656	58 067	65 221	59 236	59 236	67 555	14.04	63 151	67 040

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>	16	35	57	2	10	12	2	(83.33)	2	2
Provinces										
Departmental agencies and accounts	1	3	3	2	5	5	2	(60.00)	2	2
Departmental agencies (non-business entities)	1	3	3	2	5	5	2	(60.00)	2	2
Other	1	3	3	2	5	5	2	(60.00)	2	2
Households	15	32	54		5	7		(100.00)		
Social benefits	15	32	54		5	7		(100.00)		



## **Programme 2: Integrated Economic Development Services**

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

### **Analysis per sub-programme**

#### **Sub-programme 2.1: Enterprise Development**

to contribute to the creation of an enabling business environment that empowers small business and entrepreneurs to develop and grow

#### **Sub-programme 2.2: Regional and Local Economic Development**

to provide support in the improvement of local business-facing services that contributes to the creation of enabling business environments at municipal level

#### **Sub-programme 2.3: Economic Empowerment**

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

#### **Sub-programme 2.4: Red Tape Reduction**

to improve the business environment by reducing the regulatory burden on businesses through improved legislation, processes and communication

#### **Sub-programme 2.5: Management: Integrated Economic Development Services**

to conduct the overall management and administrative support to the Programme

### **Policy developments**

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

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

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

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

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

### Changes: Policy, structure, service establishment, geographic distribution of services, etc.

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

### Expenditure trends analysis

The budgeted allocation for the Programme has increased from R45.428 million (revised estimate) in the 2018/19 to R68.365 million in 2019/20, thus representing an increase of R22.937 million or 50.49 per cent. This increase can be attributed to the Programme implementing interventions aligned to additional funding provided for job creation stimulus projects aimed at various districts within the Western Cape Province.

### Strategic goal as per Strategic Plan

Create opportunities for growth and jobs.

### Strategic objectives as per Annual Performance Plan

To increase the sustainability and growth of SMMEs.

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

To facilitate improvement of the business environment in the Western Cape through ease of doing business interventions in the national, provincial and/or local government sphere, in order to contribute towards cost savings and benefits (to government and business) of R1 billion in the provincial economy by 2020.

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

Sub-programme R'000	Outcome			Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate	2019/20	2020/21	2021/22
	2015/16	2016/17	2017/18							
1. Enterprise Development	32 728	23 496	22 314	25 413	28 323	28 323	48 146	69.99	71 907	75 403
2. Regional and Local Economic Development	5 583	6 415	6 828	8 234	7 734	7 734	7 906	2.22	8 657	9 202
3. Economic Empowerment	1 019									
4. Red Tape	14 472	11 750	8 032	10 406	9 371	9 371	12 313	31.39	12 898	13 136
<b>Total payments and estimates</b>	<b>53 802</b>	<b>41 661</b>	<b>37 174</b>	<b>44 053</b>	<b>45 428</b>	<b>45 428</b>	<b>68 365</b>	<b>50.49</b>	<b>93 462</b>	<b>97 741</b>

**Earmarked allocation:**

Included in Sub-programme 2.1: Enterprise Development is an earmarked allocation amounting to R21 000 000 (2019/20) and R 41 776 000 (2020/21) and R44 298 000 (2021/22) for the purpose of Economic emerging themes and Job creation stimulus.

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate		2020/21	2021/22
							2019/20	2018/19		
<b>Current payments</b>	39 701	29 016	30 091	31 083	28 854	28 806	<b>54 364</b>	88.72	78 677	82 158
Compensation of employees	16 793	16 184	17 602	20 419	18 393	18 393	<b>22 740</b>	23.63	24 626	24 922
Goods and services	22 908	12 832	12 489	10 664	10 461	10 413	<b>31 624</b>	203.70	54 051	57 236
<b>Transfers and subsidies to</b>	13 232	12 375	6 285	12 500	16 501	16 501	<b>14 000</b>	( 15.16)	14 784	15 582
Departmental agencies and accounts	1 900	2 900				3 375		( 100.00)		
Public corporations and private enterprises	2 831	5 950	3 530	7 500	11 350	7 975	<b>9 000</b>	12.85	9 504	10 017
Non-profit institutions	6 448	1 500	2 000	5 000	5 000	5 000	<b>5 000</b>		5 280	5 565
Households	2 053	2 025	755		151	151		( 100.00)		
<b>Payments for capital assets</b>	869	256	783	470	73	121	<b>1</b>	( 99.17)	1	1
Machinery and equipment	802	255	783		73	121	<b>1</b>	( 99.17)	1	1
Software and other intangible assets	67	1		470						
<b>Payments for financial assets</b>		14	15							
<b>Total economic classification</b>	<b>53 802</b>	<b>41 661</b>	<b>37 174</b>	<b>44 053</b>	<b>45 428</b>	<b>45 428</b>	<b>68 365</b>	50.49	93 462	97 741

## Details of transfers and subsidies

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- piation 2018/19	Adjusted appro- piation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>	13 232	12 375	3 231	12 500	16 501	16 501	<b>14 000</b>	(15.16)	14 784	15 582
Departmental agencies and accounts	1 900	2 900				3 375		(100.00)		
Departmental agencies (non-business entities)	1 900	2 900				3 375		(100.00)		
Western Cape Trade and Investment Promotion Agency	1 900	2 500								
Other		400				3 375		(100.00)		
Public corporations and private enterprises	2 831	5 950	2 476	7 500	11 350	7 975	<b>9 000</b>	12.85	9 504	10 017
Public corporations		3 000					<b>5 000</b>		5 280	5 565
Other transfers to public corporations		3 000					<b>5 000</b>		5 280	5 565
Private enterprises	2 831	2 950	2 476	7 500	11 350	7 975	<b>4 000</b>	(49.84)	4 224	4 452
Other transfers to private enterprises	2 831	2 950	2 476	7 500	11 350	7 975	<b>4 000</b>	(49.84)	4 224	4 452
Non-profit institutions	6 448	1 500		5 000	5 000	5 000	<b>5 000</b>		5 280	5 565
Households	2 053	2 025	755		151	151		(100.00)		
Social benefits	2 053				26	26		(100.00)		
Other transfers to households		2 025	755		125	125		(100.00)		
<b>Transfers and subsidies to (Capital)</b>			3 054							
Public corporations and private enterprises			1 054							
Private enterprises			1 054							
Other transfers to private enterprises			1 054							
Non-profit institutions			2 000							

## Programme 3: Trade and Sector Development

**Purpose:** To stimulate economic growth in targeted sectors through industry development, trade and investment promotion.

### Analysis per sub-programme

#### Sub-programme 3.1: Trade and Investment Promotion

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

#### Sub-programme 3.2: Sector Development

to implement key initiatives in the Khulisa targeted sectors and provide support to priority sectors in order to stimulate growth and job creation in the Western Cape economy

### Policy developments

Project Khulisa defines a multi-year approach, which focuses on sectors that will maximise stated economic outcomes by 2020. It also phases in additional sectors that maximise employment and growth opportunities across a 15-year horizon.

The sectors with each of the horizons are:

Horizon 1 – Driving impactful sectors: Through extensive data analysis (focusing on gross value add and employment creation) and targeted stakeholder engagements, Project Khulisa identified Tourism, Oil and Gas and Agri-processing as the three productive sectors with the most potential to accelerate growth and job creation in the region by 2020.

Horizon 2 – Expanding scope sectors: The BPO and Film sectors have been identified as an “expanding the scope” sectors following horizon 1 for the next 5 to 10 years.

Horizon 3 – Build on the eco-system sectors: The ICT and Manufacturing sectors have been identified for the following 10 years and beyond.

Project Khulisa is a transversal approach with a number of provincial government departments and other entities like Wesgro, Saldanha IDZ, SAOGA and WCFFI working together to reach the goal statement. This transversal approach will ensure that the following regional outcomes are met:

To grow GVA from R1 billion to R3 billion and facilitate 60 000 additional formal jobs within the Western Cape's Oil and Gas sector by March 2020.

To grow GVA from R12 billion to R26 billion and to facilitate 100 000 additional formal jobs within the Western Cape's Agri-processing sector

### **Changes: Policy, structure, service establishment, geographic distribution of services, etc.**

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

### **Expenditure trends analysis**

The allocated budget for the Programme has increased from R47.659 million (revised estimate) in 2018/19 financial year to R63.571 million in the 2019/20 financial year. This represents an increase of 33.39 per cent or R15.912 million. This increase is primarily due to additional resources provided to Wesgro to enhance its capacity in trade and investment promotion activities as well as market the Province and its regions as a business destination of choice.

### **Strategic goal as per Strategic Plan**

Create opportunities for growth and jobs.

### **Strategic objectives as per Annual Performance Plan**

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

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

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

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
1. Trade and Investment Promotion	23 000	28 417	34 020	36 200	36 200	37 700	47 500	25.99	48 126	48 832
2. Sector Development	34 663	27 174	15 522	12 569	11 459	9 959	16 071	61.37	17 822	18 923
<b>Total payments and estimates</b>	57 663	55 591	49 542	48 769	47 659	47 659	63 571	33.39	65 948	67 755

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

#### **Earmarked allocation:**

Included in Sub-programme 3.1: Trade and Investment promotion is an earmarked allocation amounting to R10 000 000 (2019/20) and R10 500 000 (2020/21) and R11 078 000 (2021/22) for the purpose of supporting the Municipal District Unit establishment, Invest SA One Stop Shop, film promotion and Halaal promotion.

Included in Sub-programme 3.1: Trade and Investment promotion is an earmarked allocation amounting to R2 107 000 (2019/20) and R2 223 000 (2020/21) and R2 345 000 (2021/22) for the purpose of supporting Wesgro Trade and Investment Promotion activities.

Included in Sub-programme 3.1: Trade and Investment promotion is an earmarked allocation amounting to R24 487 000 (2019/20) and R25 834 000 (2020/21) and R27 255 000 (2021/22) for the purpose of supporting Wesgro Trade and Investment Promotion Activities.

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	11 502	14 119	9 829	11 069	9 959	9 959	16 071	61.37	17 822	18 923
Compensation of employees	10 815	9 533	7 334	9 339	8 729	8 729	12 841	47.11	14 411	15 328
Goods and services	687	4 586	2 495	1 730	1 230	1 230	3 230	162.60	3 411	3 595
<b>Transfers and subsidies to</b>	46 069	41 413	39 695	37 700	37 700	37 700	47 500	25.99	48 126	48 832
Departmental agencies and accounts	23 000	28 417	34 020	37 700	37 700	37 700	47 500	25.99	48 126	48 832
Non-profit institutions	23 000	12 996	5 675							
Households	69									
<b>Payments for capital assets</b>	85	26	4							
Machinery and equipment	81	24	4							
Software and other intangible assets	4	2								
<b>Payments for financial assets</b>	7	33	14							
<b>Total economic classification</b>	57 663	55 591	49 542	48 769	47 659	47 659	63 571	33.39	65 948	67 755

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>	46 069	41 413	39 695	37 700	37 700	37 700	47 500	25.99	48 126	48 832
Departmental agencies and accounts	23 000	28 417	34 020	37 700	37 700	37 700	47 500	25.99	48 126	48 832
Departmental agencies (non-business entities)	23 000	28 417	34 020	37 700	37 700	37 700	47 500	25.99	48 126	48 832
Western Cape Trade and Investment Promotion Agency	23 000	28 417	34 020	37 700	37 700	37 700	47 500	25.99	48 126	48 832
Non-profit institutions	23 000	12 996	5 675							
Households	69									
Social benefits	69									

## **Programme 4: Business Regulation and Governance**

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

### **Analysis per sub-programme**

#### **Sub-programme 4.1: Consumer Protection**

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

### **Policy developments**

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

The projects and operations linked to the services of the OCP are primarily geared towards a citizen centric service since it provides dispute resolution services between consumers and suppliers. The aforementioned services can only be effectively provided if the correct and optimal human resources, ICT services and customer focused interventions are in place. It is our contention that the various initiatives i.e. toll-free call centre, Alternative Dispute Resolution (ADR) services, referral mechanisms, are all focused on ensuring that the objectives as set in the various Western Cape Government initiatives are achieved. By providing effective services to citizens that ultimately results in them obtaining a benefit, e.g. refunds, repairs of defective products etc., the unit plays its part in ensuring that citizens of the Western Cape have a first-hand experience of the WCG's commitment towards quality service provision for its citizens.

### **Changes: Policy, structure, service establishment, geographic distribution of services, etc.**

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

### **Expenditure trends analysis**

The budgetary allocation of the Programme increased from R9.689 million (revised estimate) in 2018/19 to R9.900 million in 2019/20. The increase translates to 2.18 per cent or R211 000.

### **Strategic goal as per Strategic Plan**

#### **Programme 4: Business Regulation and Governance**

Create opportunities for growth and jobs.

### **Strategic objectives as per Annual Performance Plan**

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



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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
1. Consumer Protection	10 868	10 479	10 600	10 803	9 689	9 689	9 900	2.18	10 502	11 213
<b>Total payments and estimates</b>	10 868	10 479	10 600	10 803	9 689	9 689	9 900	2.18	10 502	11 213

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

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	10 765	10 361	10 591	10 798	9 673	9 673	9 900	2.35	10 502	11 213
Compensation of employees	8 159	8 033	7 759	8 573	7 459	7 459	7 700	3.23	8 178	8 764
Goods and services	2 606	2 328	2 832	2 225	2 214	2 214	2 200	(0.63)	2 324	2 449
<b>Transfers and subsidies to Households</b>			7		1	1		(100.00)		
			7		1	1		(100.00)		
<b>Payments for capital assets</b>	103	70	2	5	15	15		(100.00)		
Machinery and equipment	98	68	2	5	15	15		(100.00)		
Software and other intangible assets	5	2								
<b>Payments for financial assets</b>		48								
<b>Total economic classification</b>	10 868	10 479	10 600	10 803	9 689	9 689	9 900	2.18	10 502	11 213

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>			7		1	1		(100.00)		
Households			7		1	1		(100.00)		
Social benefits			7		1	1		(100.00)		

## **Programme 5: Economic Planning**

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

### **Analysis per sub-programme**

#### **Sub-programme 5.1: Economic Policy and Planning**

to support and develop provincial economic policies and strategies

#### **Sub-programme 5.2: Research and Development**

to conduct economic research

#### **Sub-programme 5.3: Knowledge Management**

to contribute to the creation of a knowledge economy

#### **Sub-programme 5.4: Monitoring and Evaluation**

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

#### **Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives**

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

#### **Sub-programme 5.6: Broadband for the Economy**

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

#### **Sub-programme 5.7: Green Economy**

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

### **Policy developments**

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

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

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

**Changes: Policy, structure, service establishment, geographic distribution of services, etc.**

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

**Expenditure trends analysis**

The Programme's budget has increased by 35.57 per cent or R49.657 million in the 2019/20 financial year from the 2018/19 revised budget of R139.614 million to a main budget of R189.271 million in the 2019/20 financial year. This is largely due to the allocation for the establishment costs of the Atlantis Special Economic Zone.

**Strategic goal as per Strategic Plan**

Create opportunities for growth and jobs.

Enable a resilient, sustainable, quality and inclusive living environment.

Embed good governance and integrated service delivery through partnerships and spatial alignment.

**Strategic objectives as per Annual Performance Plan**

To provide economic strategy and policy leadership in the Province.

To conduct and facilitate economic research and analysis to support economic strategy policy development within the Department's strategic framework.

To strengthen the understanding and practice of partnering for service delivery impact and integrated planning amongst public sector stakeholders.

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

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

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

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
1. Economic Policy and Planning	4 518	3 258	2 360	2 791	2 430	2 430	7 566	211.36	8 242	9 370
2. Research and Development	6 693	8 882	9 042	8 211	8 245	8 245	7 872	(4.52)	8 069	8 122
3. Knowledge Management	12 010	9 654	10 136	10 424	10 924	10 924	11 325	3.67	11 948	12 605
4. Monitoring and Evaluation	1 776			1	1	1	1		1	1
5. Enabling Growth Infrastructure and Initiatives	65 319	213 383	56 283	64 105	64 513	64 513	111 897	73.45	93 478	93 871
6. Broadband for the Economy	28 314	39 771	21 414	16 854	16 854	16 854	22 181	31.61	22 640	23 675
7. Green Economy	20 155	21 187	30 115	38 467	36 647	36 647	28 429	(22.42)	26 142	27 674
<b>Total payments and estimates</b>	<b>138 785</b>	<b>296 135</b>	<b>129 350</b>	<b>140 853</b>	<b>139 614</b>	<b>139 614</b>	<b>189 271</b>	<b>35.57</b>	<b>170 520</b>	<b>175 318</b>

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

#### Earmarked allocation:

Included in Sub-programme 5.3: Knowledge Management is an earmarked allocation amounting to R11 325 000 (2019/20) and R11 948 000 (2020/21) and R12 605 000 (2021/22) for the operational cost of the Western Cape Economic Development Partnership.

Included in Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives is an earmarked allocation amounting to R23 737 000 (2019/20) and R35 438 000 (2020/21) and R37 387 000 (2021/22) for the purpose of establishing the Atlantis SEZ.

Included in Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives is an earmarked allocation amounting to R1 500 000 (2019/20) and R2 528 000 (2020/21) and R2 556 000 (2021/22) for the purpose of Economic emerging themes and Job creation stimulus.

Included in Sub-programme 5.5: Enabling Growth Infrastructure and Initiatives is an earmarked allocation amounting to R74 187 000 (2019/20) and R42 566 000 (2020/21) and R40 054 000 (2021/22) for the purpose of supporting the Saldanha Bay IDZ.

Included in Sub-programme 5.6: Broadband for the Economy is an earmarked allocation amounting to R3 500 000 (2019/20) and R3 696 000 (2020/21) and R3 896 000 (2021/22) for the purpose of Economic emerging themes and Job creation stimulus.

Included in Sub-programme 5.7: Green Economy is an earmarked allocation amounting to R3 770 000 (2019/20) in support of the Energy Game Changer (Institutional Capacity).

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	60 564	62 678	56 234	57 856	63 791	63 790	<b>78 954</b>	23.77	79 424	84 066
Compensation of employees	20 683	19 153	25 120	29 830	28 430	28 430	<b>40 055</b>	40.89	39 168	41 048
Goods and services	39 881	43 525	31 114	28 026	35 361	35 360	<b>38 899</b>	10.01	40 256	43 018
<b>Transfers and subsidies to</b>	77 727	232 988	73 072	82 964	75 789	75 789	<b>110 299</b>	45.53	91 061	91 215
Departmental agencies and accounts	33 258	133 159	50 135	63 955	63 955	63 955	<b>97 924</b>	53.11	78 004	77 441
Non-profit institutions	44 430	99 829	22 936	19 009	11 824	11 824	<b>12 375</b>	4.66	13 057	13 774
Households	39		1		10	10		( 100.00)		
<b>Payments for capital assets</b>	377	469	34	33	32	33	<b>18</b>	( 45.45)	35	37
Machinery and equipment	353	467	34	31	30	31	<b>16</b>	( 48.39)	35	37
Software and other intangible assets	24	2		2	2	2	<b>2</b>			
<b>Payments for financial assets</b>	117		10		2	2		( 100.00)		
<b>Total economic classification</b>	138 785	296 135	129 350	140 853	139 614	139 614	<b>189 271</b>	35.57	170 520	175 318

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>	77 727	232 988	73 072	82 964	75 789	75 789	<b>110 299</b>	45.53	91 061	91 215
Departmental agencies and accounts	33 258	133 159	50 135	63 955	63 955	63 955	<b>97 924</b>	53.11	78 004	77 441
Departmental agencies (non-business entities)	33 258	133 159	50 135	63 955	63 955	63 955	<b>97 924</b>	53.11	78 004	77 441
Western Cape Trade and Investment Promotion Agency	4 300	3 335	3 980	8 323	8 323	8 323	<b>23 737</b>	185.20	35 438	37 387
Saldanha Bay IDZ Licencing Company SOC Limited	28 958	129 824	46 155	55 632	55 632	55 632	<b>74 187</b>	33.35	42 566	40 054
Non-profit institutions	44 430	99 829	22 936	19 009	11 824	11 824	<b>12 375</b>	4.66	13 057	13 774
Households	39		1		10	10		(100.00)		
Social benefits	39		1		10	10		(100.00)		

## **Programme 6: Tourism, Arts and Entertainment**

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

### **Analysis per sub-programme**

#### **Sub-programme 6.1: Tourism Planning**

to develop and coordinate the strategic agenda

#### **Sub-programme 6.2: Tourism Growth and Development**

to facilitate growth and development of the tourism industry

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

#### **Sub-programme 6.3: Tourism Sector Transformation**

to provide for the registration and regulation of tourist guides

#### **Sub-programme 6.4: Tourism Destination Marketing**

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

### **Policy developments**

Project Khulisa identified tourism as one of the key sectors, which offers the Province the greatest potential return in terms of jobs and growth.

The Department of Economic Development and Tourism has the provincial statutory and legislative mandate for tourism. It responds to all the elements of the tourism industry, including tourism development, tourism regulation and tourism marketing. The Tourism, Trade and Investment Act, 2013 provides for tourism destination marketing to be implemented in the Wesgro public entity.

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

Boost awareness of the Western Cape in key markets and sectors to drive conversion from a business tourist to a leisure tourist destination.

Improve accessibility to Cape Town and the regions.

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

**Changes: Policy, structure, service establishment, geographic distribution of services, etc.**

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

**Expenditure trends analysis**

The allocated budget for the Programme increased from R56.182 million (revised estimate) in the 2018/19 financial year to R60.154 million in the 2019/20 financial year. This represents an increase of 7.07 per cent or R3.972 million.

**Strategic goal as per Strategic Plan**

Create opportunities for growth and jobs.

**Strategic objectives as per Annual Performance Plan**

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

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

To register and regulate the tourist guiding sub-sector.

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

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19		2019/20	2018/19	2021/22
1. Tourism Planning	1 410			1	1	1		1		1
2. Tourism Growth and Development	9 915	12 017	12 722	13 104	14 504	14 504		15 226	4.98	16 505
3. Tourism Sector Transformation				1	1	1		1		1
4. Tourism Destination Marketing	28 300	37 324	40 675	41 676	41 676	41 676		44 926	7.80	50 004
5. Commercial Arts and Entertainment	257									
<b>Total payments and estimates</b>	<b>39 882</b>	<b>49 341</b>	<b>53 397</b>	<b>54 782</b>	<b>56 182</b>	<b>56 182</b>		<b>60 154</b>	<b>7.07</b>	<b>66 511</b>

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

Sub-programmes 6.1: Tourism Planning and 6.3: Tourism Sector Transformation has been allocated a nominal allocation due to restructuring of the Department's programmes.

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

**Earmarked allocation:**

Included in Sub-programme 6.4: Tourism Destination Marketing is an earmarked allocation amounting to R2 105 000 (2019/20) and R2 221 000 (2020/21) and R2 343 000 (2021/22) for the purpose of supporting Cycling Tourism within the Western Cape.

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	11 021	9 173	11 179	13 106	14 504	14 491	15 226	5.07	15 521	16 507
Compensation of employees	9 594	7 261	7 148	8 164	9 064	9 064	8 284	(8.61)	9 244	9 893
Goods and services	1 427	1 912	4 031	4 942	5 440	5 427	6 942	27.92	6 277	6 614
<b>Transfers and subsidies to</b>	28 312	40 089	42 194	41 676	41 677	41 690	44 926	7.76	47 442	50 004
Provinces and municipalities			1 500							
Departmental agencies and accounts	28 300	39 974	40 675	41 676	41 676	41 676	44 926	7.80	47 442	50 004
Households	12	115	19		1	14		(100.00)		
<b>Payments for capital assets</b>	549	76	20		1	1	2	100.00		
Machinery and equipment	547	75	20		1	1	2	100.00		
Software and other intangible assets	2	1								
<b>Payments for financial assets</b>		3	4							
<b>Total economic classification</b>	39 882	49 341	53 397	54 782	56 182	56 182	60 154	7.07	62 963	66 511

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>	28 312	40 089	42 194	41 676	41 677	41 690	44 926	7.76	47 442	50 004
Provinces and municipalities			1 500							
Municipalities			1 500							
Municipal agencies and funds			1 500							
Departmental agencies and accounts	28 300	39 974	40 675	41 676	41 676	41 676	44 926	7.80	47 442	50 004
Departmental agencies (non-business entities)	28 300	39 974	40 675	41 676	41 676	41 676	44 926	7.80	47 442	50 004
Western Cape Trade and Investment Promotion Agency	28 300	39 974	40 676	41 676	41 676	41 676	44 926	7.80	47 442	50 004
Other			(1)							
Households	12	115	19		1	14		(100.00)		
Social benefits	12	115			1	14		(100.00)		
Other transfers to households			19							



## **Programme 7: Skills Development and Innovation**

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

### **Analysis per sub-programme**

#### **Sub-programme 7.1: Provincial skills and Partnership**

to promote coordination, partnerships and collaboration for increased access to occupationally directed programmes including apprenticeships of the 21<sup>st</sup> Century or the A21

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

#### **Sub-programme 7.2: Skills Programmes and Projects**

to facilitate/support unemployed or underemployed youth to access jobs

#### **Sub-programme 7.3: Skills Incentives**

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

### **Policy developments**

Several developments in the global arena make it imperative for countries to effectively respond to dynamic and competitive forces that may impact on how national and regional economies relate to the global economy.

Key amongst these responses has been to establish good education and skills development systems that are able to provide capable and flexible workers. A capable and skilled workforce is essential for a productive and resilient economy, especially under conditions of increasing international competition.

The Department of Economic Development and Tourism as identified Skills Development as an enabler to economic growth and job creation and has invested considerable effort to develop interventions that aims to address systemic challenges in the education space while responding to short and medium-term skills needed for economic growth and jobs.

The Skills Development Programme will drive concerted efforts to better align the supply of and demand for skills in Province.

In doing so, it is acknowledged that there is a need to: engage a multitude of stakeholders; improve the economic performance of the Country, Province and Regions; focus efforts on improving the economic sector fortunes and prospects; address the socio-economic realities coherently; and understand the systemic challenges facing basic education and post school skills development and industry inclusion.

In considering the above, The Skills Development Programme identified several interventions across stakeholders, beyond departmental mandates and seek to address the constraints to a capable and flexible workforce.

The approach highlighted the need to change the systemic and more immediate skills challenges to achieve a greater uptake of youth into industry and a competitive work force.

Change needed involves broad areas such as:

Increased career awareness marketing;

Improved English, Maths and Science outcomes;

Better alignment of theoretical training and practical training;

Earlier linking of learners and employers;

Improved learner workplace-readiness; and

Workplace facilitation and funding

### Changes: Policy, structure, service establishment, geographic distribution of services, etc.

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

### Expenditure trends analysis

The allocated budget for the Programme decreased from R71.134 million (revised estimate) in the 2018/19 financial year to R64.551 million in the 2019/20 financial year. This represents a decrease of 9.25 per cent or R6.583 million, mainly as a result of the conclusion of the A21 (artisan and curriculum development) projects.

### Strategic goal as per Strategic Plan

Create opportunities for growth and jobs.

### Strategic objectives as per Annual Performance Plan

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

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

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

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

Sub-programme R'000		Outcome						Medium-term estimate				
		Audited 2015/16	Audited 2016/17	Audited 2017/18				Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate	2019/20
1.	Provincial Skills and Partnership	6 655	10 596	17 322	36 657	36 909	36 909	16 937	(54.11)	11 500	12 800	
2.	Skills Programmes and Projects	45 533	42 085	42 381	29 997	32 221	32 221	40 685	26.27	43 965	46 407	
3.	Skills Incentives	356	1 841	1 470	2 327	2 004	2 004	6 929	245.76	7 351	9 981	
Total payments and estimates		52 544	54 522	61 173	68 981	71 134	71 134	64 551	(9.25)	62 816	69 188	

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

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

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

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

### Earmarked allocation:

Included in Sub-programme 7.1: Provincial Skills and Partnerships is an earmarked allocation amounting to R5 900 000 (2019/20) in support of the Apprenticeship Game Changer.

Included in Sub-programme 7.2: Skills Programmes and Projects is an earmarked allocation amounting to R2 000 000 (2019/20) and R2 000 000 (2020/21) and R2 000 000 (2021/22) for the purpose of Economic emerging themes and Job creation stimulus.

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- piation 2018/19	Adjusted appro- piation 2018/19	Revised estimate 2018/19	% Change from Revised estimate 2018/19	2019/20	2020/21	2021/22
<b>Current payments</b>	39 891	43 489	50 236	57 481	59 071	59 071		<b>41 291</b>	( 30.10)	38 253 43 299
Compensation of employees	9 744	11 004	14 078	16 112	15 851	15 851		<b>17 313</b>	9.22	12 933 16 611
Goods and services	30 147	32 485	36 158	41 369	43 220	43 220		<b>23 978</b>	( 44.52)	25 320 26 688
<b>Transfers and subsidies to</b>	12 592	10 524	10 269	11 000	11 546	11 546		<b>22 760</b>	97.12	24 035 25 332
Higher education institutions					2 000	2 000		( 100.00)		
Public corporations and private enterprises				3 000						
Non-profit institutions	1 815	3 541								
Households	10 777	6 983	10 269	8 000	9 546	9 546		<b>22 760</b>	138.42	24 035 25 332
<b>Payments for capital assets</b>	61	506	654	500	517	517		<b>500</b>	( 3.29)	528 557
Machinery and equipment	57	504	5		17	17		( 100.00)		
Software and other intangible assets	4	2	649	500	500	500		<b>500</b>		528 557
<b>Payments for financial assets</b>		3	14							
<b>Total economic classification</b>	52 544	54 522	61 173	68 981	71 134	71 134		<b>64 551</b>	( 9.25)	62 816 69 188

### Details of transfers and subsidies

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- piation 2018/19	Adjusted appro- piation 2018/19	Revised estimate 2018/19	% Change from Revised estimate 2018/19	2019/20	2020/21	2021/22
<b>Transfers and subsidies to (Current)</b>	12 592	10 524	10 269	11 000	11 546	11 546		<b>22 760</b>	97.12	24 035 25 332
Higher education institutions					2 000	2 000		(100.00)		
Public corporations and private enterprises				3 000						
Private enterprises				3 000						
Other transfers to private enterprises				3 000						
Non-profit institutions	1 815	3 541								
Households	10 777	6 983	10 269	8 000	9 546	9 546		<b>22 760</b>	138.42	24 035 25 332
Social benefits		23	29							
Other transfers to households	10 777	6 960	10 240	8 000	9 546	9 546		<b>22 760</b>	138.42	24 035 25 332

## 9. Other programme information

### Personnel numbers and costs

**Table 9.1 Personnel numbers and costs**

Cost in R million	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2015/16		2016/17		2017/18		2018/19				2019/20		2020/21		2021/22		2018/19 to 2021/22		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
Salary level																			
1 – 6	69	10 642	25	5 168	31	6 059	29		29	6 187	25	6 090	25	6 577	25	7 501	(4.8%)	6.6%	4.4%
7 – 10	118	38 584	120	41 730	125	48 475	124		124	53 967	126	61 799	119	63 071	120	67 222	(1.1%)	7.6%	40.7%
11 – 12	45	30 507	44	35 097	47	32 629	51		51	38 396	53	45 115	47	44 247	45	47 389	(4.1%)	7.3%	29.0%
13 – 16	24	18 319	21	22 627	24	26 878	25		25	29 527	30	37 357	27	40 746	26	43 494	1.3%	13.8%	25.0%
Other			1	38	15	1 324	16		16	1 368	31	2 795	13	777	13	827	(6.7%)	(15.4%)	1.0%
Total	256	98 052	211	104 660	242	115 365	245		245	129 445	265	153 156	231	155 418	229	166 433	(2.2%)	8.7%	100.0%
Programme																			
Administration	57	22 264	73	33 492	102	36 324	102		102	41 519	107	44 223	97	46 858	96	49 866	(2.0%)	6.3%	30.2%
Integrated Economic Development Services	37	16 793	30	16 184	30	17 602	32		32	18 393	34	22 740	32	24 626	30	24 922	(2.1%)	10.7%	15.0%
Trade and Sector Development	49	10 815	19	9 533	14	7 334	13		13	8 729	17	12 841	17	14 411	17	15 328	9.4%	20.6%	8.5%
Business Regulation and Governance	18	8 159	16	8 033	16	7 759	14		14	7 459	13	7 700	12	8 178	12	8 765	(5.0%)	5.5%	5.3%
Economic Planning	33	20 683	35	19 153	39	25 120	44		44	28 430	50	40 055	42	39 168	41	41 048	(2.3%)	13.0%	24.6%
Tourism Arts and Entertainment	34	9 594	17	7 261	16	7 148	16		16	9 064	15	8 284	15	9 244	15	9 893	(2.1%)	3.0%	6.0%
Skills Development and Innovation	28	9 744	21	11 004	25	14 078	24		24	15 851	29	17 313	16	12 933	18	16 611	(9.1%)	1.6%	10.4%
Total	256	98 052	211	104 660	242	115 365	245		245	129 445	265	153 156	231	155 418	229	166 433	(2.2%)	8.7%	100.0%
Employee dispensation classification																			
Public Service Act appointees not covered by OSDs	256	98 052	211	104 660	242	115 365	245		245	129 445	265	153 156	231	155 418	229	166 433	(2.2%)	8.7%	100.0%
Total	256	98 052	211	104 660	242	115 365	245		245	129 445	265	153 156	231	155 418	229	166 433	(2.2%)	8.7%	100.0%

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

## Training

**Table 9.2 Information on training**

R'000	Outcome						Medium-term estimate			
	2015/16	2016/17	2017/18	Main appro- piation 2018/19	Adjusted appro- piation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
Number of staff	256	211	242	245	245	245	265	8.16	231	229
Number of personnel trained	207	207	217	212	212	212	212		224	236
of which										
Male	85	85	89	90	90	90	90		95	100
Female	122	122	128	122	122	122	122		129	136
Number of training opportunities	65	65	68	72	72	72	72		77	81
of which										
Tertiary	15	15	16	17	17	17	17		18	19
Workshops	45	45	47	50	50	50	50		53	56
Seminars	5	5	5	6	6	6	6		6	6
Number of bursaries offered	15	15	16	17	17	17	17		18	19
Number of interns appointed	45	45	47	50	50	50	50		53	56
Number of days spent on training	5 000	5 000	5 250	5 555	5 555	5 555	5 555		5 860	6 182
<b>Payments on training by programme</b>										
1. Administration	699	809	1 666	1 239	1 239	1 239	1 308	5.57	1 379	1 455
2. Integrated Economic Development Services	187	1 344	286	204	204	204	218	6.86	235	248
3. Trade and Sector Development	160	143	120	50	50	50	53	6.00	57	60
4. Business Regulation and Governance	55	250	180	86	86	86	93	8.14	100	106
5. Economic Planning	80	125	300	283	283	283	297	4.95	315	332
6. Tourism Arts and Entertainment	360	168	55	82	82	82	88	7.32	95	100
7. Skills Development and Innovation	5 381	132	257	161	161	161	107	( 33.54)	114	120
<b>Total payments on training</b>	<b>6 922</b>	<b>2 971</b>	<b>2 864</b>	<b>2 105</b>	<b>2 105</b>	<b>2 105</b>	<b>2 164</b>	<b>2.80</b>	<b>2 295</b>	<b>2 421</b>

## Reconciliation of structural changes

None.

## Annexure A to Vote 12

Table A.1 Specification of receipts

Receipts R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Sales of goods and services other than capital assets</b>	428	320	438	315	315	423	333	(21.28)	351	371
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	428	320	438	315	315	423	333	(21.28)	351	371
<b>Transfers received from</b>					3 603	3 606		(100.00)		
Households and non-profit institutions					3 603	3 606		(100.00)		
<b>Interest, dividends and rent on land</b>	42		39			27		(100.00)		
Interest	42		39			27		(100.00)		
<b>Sales of capital assets</b>		22	22			16		(100.00)		
Other capital assets		22	22			16		(100.00)		
<b>Financial transactions in assets and liabilities</b>	12 191	717	3 925			574		(100.00)		
Recovery of previous year's expenditure	12 191									
Other		717	3 925			574		(100.00)		
<b>Total departmental receipts</b>	12 661	1 059	4 424	315	3 918	4 646	333	(92.83)	351	371

## Annexure A to Vote 12

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- piation 2018/19	Adjusted appro- piation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	<b>210 110</b>	<b>218 257</b>	<b>221 616</b>	<b>243 112</b>	<b>241 305</b>	<b>241 241</b>	<b>277 323</b>	<b>14.96</b>	<b>297 012</b>	<b>316 525</b>
Compensation of employees	98 052	104 660	115 365	136 246	129 445	129 445	153 156	18.32	155 418	166 433
Salaries and wages	87 555	92 969	102 258	127 672	115 819	114 856	142 293	23.89	144 255	154 997
Social contributions	10 497	11 691	13 107	8 574	13 626	14 589	10 863	(25.54)	11 163	11 436
Goods and services	112 058	113 597	106 251	106 866	111 860	111 796	124 167	11.07	141 594	150 092
of which										
Administrative fees	205	264	325	421	454	458	335	(26.86)	389	443
Advertising	6 990	9 551	13 018	11 030	12 379	12 499	6 796	(45.63)	5 262	5 435
Minor Assets	366	418	459	812	397	413	354	(14.29)	338	364
Audit cost: External	3 066	3 093	2 324	3 000	3 000	3 000	3 168	5.60	3 345	3 526
Bursaries: Employees	442	299	352	400	600	600	600		1 056	1 113
Catering: Departmental activities	793	1 043	1 085	735	1 458	1 415	1 135	(19.79)	1 080	1 144
Communication (G&S)	861	778	890	1 042	1 008	1 056	921	(12.78)	955	992
Computer services	8 374	9 029	6 576	3 383	4 098	4 239	5 026	18.57	5 195	5 495
Consultants and professional services: Business and advisory services	49 297	48 111	35 616	44 348	48 524	46 851	77 629	65.69	96 162	101 942
Legal costs		93								1
Contractors	1 310	1 174	3 238	951	1 140	1 361	705	(48.20)	755	908
Agency and support/outsourced services	1 936	1 942	831	215	200	200		(100.00)		
Entertainment	43	44	37	90	105	98	97	(1.02)	158	169
Fleet services (including government motor transport)	683	486	513	446	711	711	471	(33.76)	97	102
Consumable supplies	460	310	676	469	586	650	430	(33.85)	351	362
Consumable: Stationery, printing and office supplies	962	1 004	1 012	1 727	1 607	1 602	1 239	(22.66)	1 193	1 277
Operating leases	599	557	518	430	384	359	231	(35.65)	282	298
Property payments	133	106	59		1	1		(100.00)		
Transport provided: Departmental activity			25		115	115		(100.00)		
Travel and subsistence	2 315	2 271	2 566	4 738	4 643	4 554	3 478	(23.63)	3 735	4 042
Training and development	30 572	30 761	32 825	27 647	26 003	26 757	17 274	(35.44)	17 693	18 687
Operating payments	1 091	1 082	1 594	1 833	1 630	1 789	1 420	(20.63)	1 343	1 397
Venues and facilities	820	551	991	2 894	1 937	2 179	2 691	23.50	2 025	2 167
Rental and hiring	740	630	721	254	880	889	167	(81.21)	180	228
<b>Transfers and subsidies to</b>	<b>177 948</b>	<b>337 424</b>	<b>171 579</b>	<b>185 842</b>	<b>183 224</b>	<b>183 239</b>	<b>239 487</b>	<b>30.70</b>	<b>225 450</b>	<b>230 967</b>
Provinces and municipalities			1 500							
Municipalities			1 500							
Municipal agencies and funds			1 500							
Departmental agencies and accounts	86 459	204 453	124 833	143 333	143 336	146 711	190 352	29.75	173 574	176 279
Departmental agencies (non-business entities)	86 459	204 453	124 833	143 333	143 336	146 711	190 352	29.75	173 574	176 279
Western Cape Trade and Investment Promotion Agency	57 500	74 226	78 676	87 699	87 699	87 699	116 163	32.46	131 006	136 223
Saldanha Bay IDZ Licencing Company SOC Limited	28 958	129 824	46 155	55 632	55 632	55 632	74 187	33.35	42 566	40 054
Other	1	403	2	2	5	3 380	2	(99.94)	2	2
Higher education institutions					2 000	2 000		(100.00)		
Public corporations and private enterprises	2 831	5 950	3 530	10 500	11 350	7 975	9 000	12.85	9 504	10 017
Public corporations		3 000					5 000		5 280	5 565
Other transfers to public corporations		3 000					5 000		5 280	5 565
Private enterprises	2 831	2 950	3 530	10 500	11 350	7 975	4 000	(49.84)	4 224	4 452
Other transfers to private enterprises	2 831	2 950	3 530	10 500	11 350	7 975	4 000	(49.84)	4 224	4 452
Non-profit institutions	75 693	117 866	30 611	24 009	16 824	16 824	17 375	3.28	18 337	19 339
Households	12 965	9 155	11 105	8 000	9 714	9 729	22 760	133.94	24 035	25 332
Social benefits	2 188	170	91		43	58		(100.00)		
Other transfers to households	10 777	8 985	11 014	8 000	9 671	9 671	22 760	135.34	24 035	25 332

## Annexure A to Vote 12

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate 2019/20	2018/19	2020/21	2021/22
<b>Payments for capital assets</b>	5 692	3 528	5 997	4 508	4 348	4 397	6 557	49.12	6 900	7 274
Machinery and equipment	5 426	3 516	5 348	3 536	3 846	3 895	6 055	55.46	6 372	6 717
Transport equipment	3 624	1 773	2 007	2 100	2 100	2 100	2 536	20.76	2 640	2 783
Other machinery and equipment	1 802	1 743	3 341	1 436	1 746	1 795	3 519	96.04	3 732	3 934
Software and other intangible assets	266	12	649	972	502	502	502		528	557
<b>Payments for financial assets</b>	124	176	111		65	65	(100.00)			
<b>Total economic classification</b>	393 874	559 385	399 303	433 462	428 942	428 942	523 367	22.01	529 362	554 766



## Annexure A to Vote 12

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- priation 2018/19	Adjusted appro- priation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	36 666	49 421	53 456	61 719	55 453	55 451	61 517	10.94	56 813	60 359
Compensation of employees	22 264	33 492	36 324	43 809	41 519	41 519	44 223	6.51	46 858	49 867
Salaries and wages	19 699	29 455	31 849	39 930	36 051	36 015	40 077	11.28	42 390	45 056
Social contributions	2 565	4 037	4 475	3 879	5 468	5 504	4 146	(24.67)	4 468	4 811
Goods and services	14 402	15 929	17 132	17 910	13 934	13 932	17 294	24.13	9 955	10 492
of which										
Administrative fees	43	113	55	125	154	154	111	(27.92)	151	174
Advertising	6 016	6 960	8 104	564	907	822	2 583	214.23	753	818
Minor Assets	79	66	305	701	295	297	251	(15.49)	265	281
Audit cost: External	3 066	3 093	2 324	3 000	3 000	3 000	3 168	5.60	3 345	3 526
Bursaries: Employees	442	299	352	400	600	600	600		1 056	1 113
Catering: Departmental activities	107	110	192	91	80	96	152	58.33	64	69
Communication (G&S)	235	262	377	373	376	376	329	(12.50)	354	367
Computer services	621	926	1 088	602	817	817	51	(93.76)	71	91
Consultants and professional services: Business and advisory services	390	163	114	7 302	2 207	1 638	5 539	238.16		
Legal costs		64								1
Contractors	45	110	323	465	340	340	85	(75.00)	90	95
Agency and support/outourced services			41	15						
Entertainment	12	15	6	29	24	24	12	(50.00)	25	27
Fleet services (including government motor transport)	683	486	513	446	711	711	471	(33.76)	97	102
Consumable supplies	129	106	440	280	364	364	217	(40.38)	229	231
Consumable: Stationery, printing and office supplies	312	423	534	563	658	658	351	(46.66)	371	404
Operating leases	123	178	163	177	128	128	70	(45.31)	74	78
Property payments	133	104								
Travel and subsistence	278	398	366	723	1 024	1 024	884	(13.67)	812	853
Training and development	764	1 077	879	839	565	1 168	776	(33.56)	752	797
Operating payments	580	562	749	890	1 144	1 144	997	(12.85)	1 054	1 087
Venues and facilities	285	59	188	305	293	324	630	94.44	370	317
Rental and hiring	59	355	19	20	247	247	17	(93.12)	22	61
<b>Transfers and subsidies to</b>	16	35	57	2	10	12	2	(83.33)	2	2
Departmental agencies and accounts	1	3	3	2	5	5	2	(60.00)	2	2
Departmental agencies (non-business entities)	1	3	3	2	5	5	2	(60.00)	2	2
Other	1	3	3	2	5	5	2	(60.00)	2	2
Households	15	32	54		5	7		(100.00)		
Social benefits	15	32	54		5	7		(100.00)		
<b>Payments for capital assets</b>	3 648	2 125	4 500	3 500	3 710	3 710	6 036	62.70	6 336	6 679
Machinery and equipment	3 488	2 123	4 500	3 500	3 710	3 710	6 036	62.70	6 336	6 679
Transport equipment	3 018	1 572	2 005	2 100	2 100	2 100	2 536	20.76	2 640	2 783
Other machinery and equipment	470	551	2 495	1 400	1 610	1 610	3 500	117.39	3 696	3 896
Software and other intangible assets	160	2								
<b>Payments for financial assets</b>		75	54		63	63		(100.00)		
<b>Total economic classification</b>	40 330	51 656	58 067	65 221	59 236	59 236	67 555	6.45	63 151	67 040

## Annexure A to Vote 12

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	39 701	29 016	30 091	31 083	28 854	28 806	54 364	88.72	78 677	82 158
Compensation of employees	16 793	16 184	17 602	20 419	18 393	18 393	22 740	23.63	24 626	24 922
Salaries and wages	14 850	14 324	15 545	19 392	16 264	16 264	21 554	32.53	23 349	23 550
Social contributions	1 943	1 860	2 057	1 027	2 129	2 129	1 186	(44.29)	1 277	1 372
Goods and services	22 908	12 832	12 489	10 664	10 461	10 413	31 624	203.70	54 051	57 236
of which										
Administrative fees	67	38	49	65	43	43	58	34.88	61	64
Advertising	386	734	174	380	275	329	112	(65.96)	118	125
Minor Assets	15	19	112	36	19	19	12	(36.84)	13	13
Catering: Departmental activities	399	542	686	215	598	598	234	(60.87)	247	260
Communication (G&S)	148	100	104	119	117	117	124	5.98	131	138
Computer services		4	599	250	250	250		(100.00)		
Consultants and professional services: Business and advisory services	15 004	7 450	6 130	6 100	5 108	5 108	25 815	405.38	48 140	50 672
Legal costs		29								
Contractors	1 093	1 010	845	286	500	500	350	(30.00)	634	668
Agency and support/outsourced services	471	470	154							
Entertainment	22	17	17	12	16	16	21	31.25	75	79
Consumable supplies	119	51	48	62	58	58	29	(50.00)	31	32
Consumable: Stationery, printing and office supplies	239	198	113	206	201	203	141	(30.54)	150	157
Operating leases	36	48	48	50			51		54	57
Travel and subsistence	673	496	571	616	426	459	395	(13.94)	417	439
Training and development	3 105	965	1 315	1 955	1 755	1 618	2 982	84.30	3 076	3 476
Operating payments	94	66	171	23	27	27	20	(25.93)	22	22
Venues and facilities	400	357	651	55	450	450	1 130	151.11	724	867
Rental and hiring	637	238	702	234	618	618	150	(75.73)	158	167
<b>Transfers and subsidies to</b>	13 232	12 375	6 285	12 500	16 501	16 501	14 000	(15.16)	14 784	15 582
Departmental agencies and accounts	1 900	2 900				3 375		(100.00)		
Departmental agencies (non-business entities)	1 900	2 900				3 375		(100.00)		
Western Cape Trade and Investment Promotion Agency	1 900	2 500								
Other		400				3 375		(100.00)		
Public corporations and private enterprises	2 831	5 950	3 530	7 500	11 350	7 975	9 000	12.85	9 504	10 017
Public corporations		3 000					5 000		5 280	5 565
Other transfers to public corporations		3 000					5 000		5 280	5 565
Private enterprises	2 831	2 950	3 530	7 500	11 350	7 975	4 000	(49.84)	4 224	4 452
Other transfers to private enterprises	2 831	2 950	3 530	7 500	11 350	7 975	4 000	(49.84)	4 224	4 452
Non-profit institutions	6 448	1 500	2 000	5 000	5 000	5 000	5 000		5 280	5 565
Households	2 053	2 025	755		151	151		(100.00)		
Social benefits	2 053				26	26		(100.00)		
Other transfers to households		2 025	755		125	125		(100.00)		
<b>Payments for capital assets</b>	869	256	783	470	73	121	1	(99.17)	1	1
Machinery and equipment	802	255	783		73	121	1	(99.17)	1	1
Transport equipment	264									
Other machinery and equipment	538	255	783		73	121	1	(99.17)	1	1
Software and other intangible assets	67	1		470						
<b>Payments for financial assets</b>		14	15							
<b>Total economic classification</b>	53 802	41 661	37 174	44 053	45 428	45 428	68 365	50.49	93 462	97 741

## Annexure A to Vote 12

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	11 502	14 119	9 829	11 069	9 959	9 959	16 071	61.37	17 822	18 923
Compensation of employees	10 815	9 533	7 334	9 339	8 729	8 729	12 841	47.11	14 411	15 328
Salaries and wages	9 638	8 386	6 273	8 793	8 183	7 714	10 707	38.80	12 617	13 948
Social contributions	1 177	1 147	1 061	546	546	1 015	2 134	110.25	1 794	1 380
Goods and services	687	4 586	2 495	1 730	1 230	1 230	3 230	162.60	3 411	3 595
of which										
Administrative fees	12	13	15	16	16	22	19	(13.64)	12	19
Advertising	95	2	40	51	51		59		42	50
Minor Assets	7	3	12	4	4	18	36	100.00	4	4
Catering: Departmental activities	82	4	9			20	6	(70.00)		
Communication (G&S)	75	70	65	64	64	79	86	8.86	71	75
Consultants and professional services: Business and advisory services	60	4 187	2 029	1 000	500	500	1 942	288.40	2 460	2 418
Contractors			16			2		(100.00)		
Entertainment	1		2	12	12	5	18	260.00	14	15
Consumable supplies	16	10	18	17	17	31	18	(41.94)	19	20
Consumable: Stationery, printing and office supplies	38	52	35	100	100	100	153	53.00	112	118
Operating leases	77	16	5							
Travel and subsistence	188	184	208	398	398	312	620	98.72	602	795
Training and development	15	9	12	50	50	20	103	415.00	55	60
Operating payments	21	19	29	18	18	1	170	16900.00	20	21
Venues and facilities						120		(100.00)		
Rental and hiring		17								
<b>Transfers and subsidies to</b>	46 069	41 413	39 695	37 700	37 700	37 700	47 500	25.99	48 126	48 832
Departmental agencies and accounts	23 000	28 417	34 020	37 700	37 700	37 700	47 500	25.99	48 126	48 832
Departmental agencies (non-business entities)	23 000	28 417	34 020	37 700	37 700	37 700	47 500	25.99	48 126	48 832
Western Cape Trade and Investment Promotion Agency	23 000	28 417	34 020	37 700	37 700	37 700	47 500	25.99	48 126	48 832
Other										
Non-profit institutions	23 000	12 996	5 675							
Households	69									
Social benefits	69									
<b>Payments for capital assets</b>	85	26	4							
Machinery and equipment	81	24	4							
Transport equipment		24								
Other machinery and equipment	81		4							
Software and other intangible assets	4	2								
<b>Payments for financial assets</b>	7	33	14							
<b>Total economic classification</b>	57 663	55 591	49 542	48 769	47 659	47 659	63 571	33.39	65 948	67 755

## Annexure A to Vote 12

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	10 765	10 361	10 591	10 798	9 673	9 673	<b>9 900</b>	2.35	10 502	11 213
Compensation of employees	8 159	8 033	7 759	8 573	7 459	7 459	<b>7 700</b>	3.23	8 178	8 764
Salaries and wages	7 173	7 074	6 805	7 868	6 754	6 754	<b>6 980</b>	3.35	7 356	7 906
Social contributions	986	959	954	705	705	705	<b>720</b>	2.13	822	858
Goods and services	2 606	2 328	2 832	2 225	2 214	2 214	<b>2 200</b>	(0.63)	2 324	2 449
<i>of which</i>										
Administrative fees	24	16	23	30	30	30	<b>22</b>	(26.67)	33	35
Advertising	46	300	992	300	300	300		(100.00)	1	
Minor Assets	156	13		20	20	20	<b>21</b>	5.00	22	22
Catering: Departmental activities		11		5	5	5		(100.00)	8	9
Communication (G&S)	93	80	79	85	85	85	<b>66</b>	(22.35)	85	88
Computer services	61		318	180	180	180	<b>( 5)</b>	(102.78)	50	55
Consultants and professional services: Business and advisory services	402						<b>1 600</b>		1 690	1 670
Contractors	1		299	200	200	200		(100.00)	( 106)	
Agency and support/outourced services	1 465	1 472	636	200	200	200		(100.00)		
Consumable supplies	20	4	1		5	5	<b>( 2)</b>	(140.00)		
Consumable: Stationery, printing and office supplies	31	25	18		18	18		(100.00)		
Operating leases	36	67	57		40	40		(100.00)		
Property payments		2	2		1	1		(100.00)		
Travel and subsistence	246	222	272	585	591	591	<b>275</b>	(53.47)	301	313
Training and development	4		17	330	210	210	<b>70</b>	(66.67)	85	92
Operating payments	19	116	118	290	279	279	<b>153</b>	(45.16)	155	165
Rental and hiring	2									
<b>Transfers and subsidies to</b>			7		1	1		(100.00)		
Households			7		1	1		(100.00)		
Social benefits			7		1	1		(100.00)		
<b>Payments for capital assets</b>	103	70	2	5	15	15		(100.00)		
Machinery and equipment	98	68	2	5	15	15		(100.00)		
Transport equipment			2							
Other machinery and equipment	98	68		5	15	15		(100.00)		
Software and other intangible assets	5	2								
<b>Payments for financial assets</b>		48								
<b>Total economic classification</b>	10 868	10 479	10 600	10 803	9 689	9 689	<b>9 900</b>	2.18	10 502	11 213

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main appro-	Adjusted appro-	Revised estimate	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	60 564	62 678	56 234	57 856	63 791	63 790	78 954	23.77	79 424	84 066
Compensation of employees	20 683	19 153	25 120	29 830	28 430	28 430	40 055	40.89	39 168	41 048
Salaries and wages	18 965	17 318	22 492	28 556	25 258	25 257	38 636	52.97	37 613	39 375
Social contributions	1 718	1 835	2 628	1 274	3 172	3 173	1 419	(55.28)	1 555	1 673
Goods and services	39 881	43 525	31 114	28 026	35 361	35 360	38 899	10.01	40 256	43 018
of which										
Administrative fees	20	46	35	148	165	164	97	(40.85)	90	106
Advertising	447	1 080	344	4 675	4 905	4 906	404	(91.77)	483	449
Minor Assets	80	315	27	50	58	58	24	(58.62)	21	31
Catering: Departmental activities	51	33	59	37	39	42	63	50.00	37	47
Communication (G&S)	137	141	154	215	233	235	143	(39.15)	122	126
Computer services	5 215	4 520	4 310	2 251	2 751	2 892	4 700	62.52	4 963	5 232
Consultants and professional services: Business and advisory services	32 543	36 218	24 229	17 371	24 332	24 172	32 116	32.86	32 846	35 478
Contractors	5		37			2		(100.00)		
Entertainment	7	7	11	23	41	41	34	(17.07)	31	33
Consumable supplies	128	65	81	97	112	121	48	(60.33)	42	47
Consumable: Stationery, printing and office supplies	174	108	169	595	341	341	275	(19.35)	263	285
Operating leases	241	115	95	74	87	87	34	(60.92)	32	34
Property payments			57							
Travel and subsistence	322	422	617	1 605	1 401	1 379	729	(47.14)	863	863
Training and development	73	112	519	283	767	766	143	(81.33)	372	189
Operating payments	328	246	365	516	50	53	9	(83.02)	10	13
Venues and facilities	108	80	5	85	78	99	80	(19.19)	81	85
Rental and hiring	2	17			1	2		(100.00)		
<b>Transfers and subsidies to</b>	77 727	232 988	73 072	82 964	75 789	75 789	110 299	45.53	91 061	91 215
Departmental agencies and accounts	33 258	133 159	50 135	63 955	63 955	63 955	97 924	53.11	78 004	77 441
Departmental agencies (non-business entities)	33 258	133 159	50 135	63 955	63 955	63 955	97 924	53.11	78 004	77 441
Western Cape Trade and Investment Promotion Agency	4 300	3 335	3 980	8 323	8 323	8 323	23 737	185.20	35 438	37 387
Saldanha Bay IDZ Licencing Company SOC Limited	28 958	129 824	46 155	55 632	55 632	55 632	74 187	33.35	42 566	40 054
Non-profit institutions	44 430	99 829	22 936	19 009	11 824	11 824	12 375	4.66	13 057	13 774
Households	39		1		10	10		(100.00)		
Social benefits	39		1		10	10		(100.00)		
<b>Payments for capital assets</b>	377	469	34	33	32	33	18	(45.45)	35	37
Machinery and equipment	353	467	34	31	30	31	16	(48.39)	35	37
Transport equipment		177								
Other machinery and equipment	353	290	34	31	30	31	16	(48.39)	35	37
Software and other intangible assets	24	2		2	2	2	2			
<b>Payments for financial assets</b>	117		10		2	2		(100.00)		
<b>Total economic classification</b>	138 785	296 135	129 350	140 853	139 614	139 614	189 271	35.57	170 520	175 318

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	11 021	9 173	11 179	13 106	14 504	14 491	15 226	5.07	15 521	16 507
Compensation of employees	9 594	7 261	7 148	8 164	9 064	9 064	8 284	(8.61)	9 244	9 893
Salaries and wages	8 432	6 413	6 300	7 539	8 439	8 076	7 584	(6.09)	8 598	9 199
Social contributions	1 162	848	848	625	625	988	700	(29.15)	646	694
Goods and services	1 427	1 912	4 031	4 942	5 440	5 427	6 942	27.92	6 277	6 614
of which										
Administrative fees	16	21	129	23	22	18	12	(33.33)	26	27
Advertising		200	71	60	60	400	690	72.50	718	672
Minor Assets	29	2	3	1	1	1		(100.00)	2	2
Catering: Departmental activities	25	71	10	130	130	47	130	176.60	143	151
Communication (G&S)	117	57	53	51	50	81	44	(45.68)	57	60
Computer services				100	100	100	280	180.00	111	117
Consultants and professional services: Business and advisory services	31	93	888	3 600	4 100	3 156	4 090	29.59	4 134	4 439
Contractors	166	54	1 718			217	140	(35.48)		
Entertainment	1	1		2	2	2	2		2	2
Consumable supplies	24	50	24	2	2	43	94	118.60	2	2
Consumable: Stationery, printing and office supplies	133	98	103	128	128	121	173	42.98	143	151
Operating leases	62	109	93	75	75	50	40	(20.00)	84	89
Travel and subsistence	350	289	278	268	268	255	125	(50.98)	298	314
Training and development	455	837	504	395	395	714	970	35.85	438	462
Operating payments	11	25	67	27	27	64	22	(65.63)	30	32
Venues and facilities	1	5	90	80	80	150	130	(13.33)	89	94
Rental and hiring	6					8		(100.00)		
<b>Transfers and subsidies to</b>	28 312	40 089	42 194	41 676	41 677	41 690	44 926	7.76	47 442	50 004
Provinces and municipalities			1 500							
Municipalities			1 500							
Municipal agencies and funds			1 500							
Departmental agencies and accounts	28 300	39 974	40 675	41 676	41 676	41 676	44 926	7.80	47 442	50 004
Departmental agencies (non-business entities)	28 300	39 974	40 675	41 676	41 676	41 676	44 926	7.80	47 442	50 004
Western Cape Trade and Investment Promotion Agency	28 300	39 974	40 676	41 676	41 676	41 676	44 926	7.80	47 442	50 004
Other			( 1)							
Households	12	115	19		1	14		(100.00)		
Social benefits	12	115			1	14		(100.00)		
Other transfers to households			19							
<b>Payments for capital assets</b>	549	76	20		1	1	2	100.00		
Machinery and equipment	547	75	20		1	1	2	100.00		
Transport equipment	342									
Other machinery and equipment	205	75	20		1	1	2	100.00		
Software and other intangible assets	2	1								
<b>Payments for financial assets</b>		3	4							
<b>Total economic classification</b>	39 882	49 341	53 397	54 782	56 182	56 182	60 154	7.07	62 963	66 511

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2015/16	Audited 2016/17	Audited 2017/18	Main appro- piation 2018/19	Adjusted appro- piation 2018/19	Revised estimate 2018/19	% Change from Revised estimate			
							2019/20	2018/19	2020/21	2021/22
<b>Current payments</b>	39 891	43 489	50 236	57 481	59 071	59 071	41 291	(30.10)	38 253	43 299
Compensation of employees	9 744	11 004	14 078	16 112	15 851	15 851	17 313	9.22	12 933	16 611
Salaries and wages	8 798	9 999	12 994	15 594	14 870	14 776	16 755	13.39	12 332	15 963
Social contributions	946	1 005	1 084	518	981	1 075	558	(48.09)	601	648
Goods and services	30 147	32 485	36 158	41 369	43 220	43 220	23 978	(44.52)	25 320	26 688
of which										
Administrative fees	23	17	19	14	24	27	16	(40.74)	16	18
Advertising		275	3 293	5 000	5 881	5 742	2 948	(48.66)	3 147	3 321
Minor Assets							10		11	11
Catering: Departmental activities	129	272	129	257	606	607	550	(9.39)	581	608
Communication (G&S)	56	68	58	135	83	83	129	55.42	135	138
Computer services	2 477	3 579	261							
Consultants and professional services: Business and advisory services	867		2 226	8 975	12 277	12 277	6 527	(46.84)	6 892	7 265
Contractors					100	100	130	30.00	137	145
Entertainment		4	1	12	10	10	10		11	13
Consumable supplies	24	24	64	11	28	28	26	(7.14)	28	30
Consumable: Stationery, printing and office supplies	35	100	40	135	161	161	146	(9.32)	154	162
Operating leases	24	24	57	54	54	54	36	(33.33)	38	40
Transport provided: Departmental activity			25		115	115		(100.00)		
Travel and subsistence	258	260	254	543	535	534	450	(15.73)	442	465
Training and development	26 156	27 761	29 579	23 795	22 261	22 261	12 230	(45.06)	12 915	13 611
Operating payments	38	48	95	69	85	221	49	(77.83)	52	57
Venues and facilities	26	50	57	2 369	986	986	721	(26.88)	761	804
Rental and hiring	34	3			14	14		(100.00)		
<b>Transfers and subsidies to</b>	12 592	10 524	10 269	11 000	11 546	11 546	22 760	97.12	24 035	25 332
Higher education institutions					2 000	2 000		(100.00)		
Public corporations and private enterprises				3 000						
Private enterprises				3 000						
Other transfers to private enterprises				3 000						
Non-profit institutions	1 815	3 541								
Households	10 777	6 983	10 269	8 000	9 546	9 546	22 760	138.42	24 035	25 332
Social benefits		23	29							
Other transfers to households	10 777	6 960	10 240	8 000	9 546	9 546	22 760	138.42	24 035	25 332
<b>Payments for capital assets</b>	61	506	654	500	517	517	500	(3.29)	528	557
Machinery and equipment	57	504	5		17	17		(100.00)		
Other machinery and equipment	57	504	5		17	17		(100.00)		
Software and other intangible assets	4	2	649	500	500	500	500		528	557
<b>Payments for financial assets</b>		3	14							
<b>Total economic classification</b>	52 544	54 522	61 173	68 981	71 134	71 134	64 551	(9.25)	62 816	69 188

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

R thousand	Audited outcome		Actual outcome	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18		2018/19		2019/20	2020/21	2021/22
<b>Revenue</b>									
<b>Non-tax revenue</b>	71 182	86 564	119 156	106 898	106 898	106 898	158 117	189 061	197 942
Sale of goods and services other than capital assets	1 496	2 300	32 494	780	780	780	1 790	1 790	1 915
Transfers received	69 686	84 264	86 662	106 118	106 118	106 118	156 327	187 271	196 027
of which:									
Departmental transfers	57 500	74 227	76 675	87 699	87 699	87 699	116 163	131 006	136 223
Other transfers	12 186	10 037	9 987	18 419	18 419	18 419	40 164	56 265	59 804
<b>Total revenue before deposits into the PRF</b>	71 182	86 564	119 156	106 898	106 898	106 898	158 117	189 061	197 942
<b>Total revenue</b>	71 182	86 564	119 156	106 898	106 898	106 898	158 117	189 061	197 942
<b>Expenses</b>	-	-	-	-	-	-	-	-	-
<b>Current expense</b>	61 861	47 392	68 013	106 898	-	158 117	158 117	189 061	197 943
Compensation of employees	24 832	24 135	32 061	34 914	-	41 320	41 320	43 612	46 064
Goods and services	37 029	23 257	35 952	71 984	-	116 797	116 797	145 449	151 879
<b>Total expenses</b>	61 861	47 392	68 013	106 898	-	158 117	158 117	189 061	197 943
<b>Surplus / (Deficit)</b>	9 321	39 172	51 143	-	106 898	(51 219)	0	-	(1)
<b>Adjustments for Surplus/(Deficit)</b>	-	-	-	-	-	-	-	-	-
<b>Surplus/(deficit) after adjustments</b>	9 321	39 172	51 143	-	106 898	(51 219)	0	-	(1)
<b>Cash flow from investing activities</b>	(305)	(1 031)	(1 068)	(1 005)	(1 005)	(1 005)	(287)	(573)	(605)
<b>Acquisition of Assets</b>	(305)	(1 031)	(1 068)	(1 005)	(1 005)	(1 005)	(287)	(573)	(605)
Other Structures (Infrastructure Assets)	13	(371)	(380)	(380)	(380)	(380)	(380)	(380)	(401)
Computer equipment	(139)	(226)	(226)	(201)	(201)	(201)	210	224	236
Furniture and Office equipment	(179)	(267)	(267)	(270)	(270)	(270)	(267)	(267)	(282)
Transport Assets	-	(167)	(195)	(154)	(154)	(154)	150	(150)	(158)
<b>Cash flow from financing activities</b>	26 573	26 588	25 917	23 937	23 937	23 937	295 284	311 525	328 659
Other	26 573	26 588	25 917	23 937	23 937	23 937	295 284	311 525	328 659
<b>Net increase / (decrease) in cash and cash equivalents</b>	26 268	25 557	24 849	22 932	22 932	22 932	294 997	310 952	328 054
<b>Balance Sheet Data</b>									
<b>Carrying Value of Assets</b>	2 863	2 202	2 312	2 446	2 446	2 446	2 446	2 581	2 722
Other Structures (Infrastructure Assets)	1 083	360	378	400	400	400	400	422	445
Computer equipment	375	623	654	692	692	692	692	730	770
Furniture and Office equipment	986	309	324	343	343	343	343	362	382
Transport Assets	362	628	659	698	698	698	698	736	776
Computer Software	57	282	296	313	313	313	313	331	349
<b>Investments</b>	29 324	19 970	20 970	22 186	22 186	22 186	22 186	23 406	24 693
Floating	29 324	19 970	20 970	22 186	22 186	22 186	22 186	23 406	24 693
<b>Cash and Cash Equivalents</b>	26 268	12 805	13 445	14 225	14 225	14 225	14 225	15 008	15 833
Bank	-	12 800	13 440	14 220	14 220	14 220	14 220	15 002	15 827
Cash on Hand	-	5	5	6	6	6	6	6	6
Other	26 268	-	-	-	-	-	-	-	-
<b>Receivables and Prepayments</b>	7 686	3 440	3 612	3 821	3 821	3 821	3 821	4 032	4 254
Trade Receivables	3 049	2 010	2 111	2 233	2 233	2 233	2 233	2 356	2 486
Other Receivables	543	-	-	-	-	-	-	-	-
Prepaid Expenses	4 094	1 430	1 502	1 589	1 589	1 589	1 589	1 676	1 768
<b>Total Assets</b>	66 141	38 417	40 339	42 678	42 678	42 678	42 678	45 027	47 502
<b>Capital and Reserves</b>	44 920	72 272	85 898	36 771	143 669	(14 448)	36 771	38 793	40 926
Accumulated Reserves	35 599	33 100	34 755	36 771	36 771	36 771	36 771	38 793	40 927
Surplus / (Deficit)	9 321	39 172	51 143	-	106 898	(51 219)	0	-	(1)
<b>Post Retirement Benefits</b>	2 807	2 995	3 145	3 327	3 327	3 327	3 327	3 510	3 703
Present value of Funded obligations	2 807	2 995	3 145	3 327	3 327	3 327	3 327	3 510	3 703
<b>Trade and Other Payables</b>	2 608	252	265	280	280	280	280	295	311
Trade Payables	1 355	252	265	280	280	280	280	295	311
Other	1 253	-	-	-	-	-	-	-	-
<b>Deferred Income</b>	15 806	-	-	-	-	-	-	-	-
<b>Provisions</b>	-	520	546	578	578	578	578	609	642
Leave pay provision	-	520	546	578	578	578	578	609	642

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



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

R thousand	Audited outcome		Actual outcome 2017/18	Main appro- priation	Adjusted appro- priation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17					2019/20	2020/21	2021/22
<b>Revenue</b>									
Tax revenue	-	-	-	199	199	199	3 217	23 600	69 000
Non-tax revenue	300 544	652 550	112 015	137 010	137 010	137 010	188 129	172 377	177 500
Sale of goods and services other than capital assets	22	-	616	4 497	4 497	4 497	20 993	41 773	44 071
Entity revenue other than sales	74	46 528	1 685	840	840	840	-	-	-
Transfers received	300 448	606 022	109 661	131 673	131 673	131 673	167 136	130 604	133 429
of which:									
Departmental transfers	57 916	260 448	95 111	111 264	111 264	111 264	138 774	80 532	80 108
Other transfers	242 532	345 574	14 550	20 409	20 409	20 409	28 362	50 072	53 321
Sale of capital assets	-	-	53	-	-	-	-	-	-
<b>Total revenue before deposits into the PRF</b>	300 544	652 550	112 015	137 209	137 209	137 209	191 346	195 977	246 500
<b>Total revenue</b>	300 544	652 550	112 015	137 209	137 209	137 209	191 346	195 977	246 500
<b>Expenses</b>									
Current expense	31 697	50 092	46 451	69 615	69 615	69 615	90 182	100 514	130 527
Compensation of employees	17 244	19 661	21 525	29 116	29 116	29 116	33 168	34 993	36 918
Goods and services	14 453	30 431	24 926	40 499	40 499	40 499	57 014	65 521	93 609
Payments for capital assets	119 569	276 183	671	650	650	650	650	686	773
<b>Total expenses</b>	151 266	326 275	47 122	70 265	70 265	70 265	90 832	101 200	131 300
<b>Surplus / (Deficit)</b>	149 278	326 275	64 893	66 944	66 944	66 944	100 514	94 777	115 200
<b>Adjustments for Surplus/(Deficit)</b>	-	-	-	-	-	-	-	-	-
<b>Surplus/(deficit) after adjustments</b>	150 261	326 275	64 893	66 944	66 944	66 944	100 514	94 777	115 200
<b>Cash flow from investing activities</b>	(119 569)	(276 183)	(51 204)	(650)	(650)	(650)	(602)	(643)	(678)
<b>Acquisition of Assets</b>	(119 569)	(276 183)	(51 204)	(650)	(650)	(650)	(602)	(643)	(678)
Dwellings	(314)	(100 000)	(227)	-	-	-	-	-	-
Other Structures (Infrastructure Assets)	(118 387)	(175 287)	(50 505)	-	-	-	-	-	-
Computer equipment	(452)	(270)	(321)	(650)	(650)	(650)	(602)	(643)	(678)
Furniture and Office equipment	(257)	(472)	(119)	-	-	-	-	-	-
Other Machinery and equipment	(159)	(54)	(32)	-	-	-	-	-	-
Computer Software	-	(100)	-	-	-	-	-	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>	(119 569)	(276 183)	(51 204)	(650)	(650)	(650)	(602)	(643)	(678)
<b>Balance Sheet Data</b>									
<b>Carrying Value of Assets</b>	140 064	416 855	417 794	418 364	418 364	418 364	418 966	419 609	442 689
Dwellings	7 467	107 467	107 467	107 467	107 467	107 467	107 467	107 467	113 378
Other Structures (Infrastructure Assets)	130 652	305 939	305 939	305 939	305 939	305 939	305 939	305 939	322 766
Computer equipment	616	886	1 186	1 756	1 756	1 756	2 358	3 001	3 166
Furniture and Office equipment	725	1 197	1 400	1 400	1 400	1 400	1 400	1 400	1 477
Other Machinery and equipment	204	866	902	902	902	902	902	902	952
Transport Assets	82	82	82	82	82	82	82	82	87
Computer Software	318	418	818	818	818	818	818	818	863
<b>Cash and Cash Equivalents</b>	314 050	-	-	-	-	-	-	-	-
Bank	314 050	-	-	-	-	-	-	-	-
<b>Receivables and Prepayments</b>	2 534	-	-	-	-	-	-	-	-
Other Receivables	843	-	-	-	-	-	-	-	-
Prepaid Expenses	1 691	-	-	-	-	-	-	-	-
<b>Total Assets</b>	456 648	416 855	417 794	418 364	418 364	418 364	418 966	419 609	442 689
<b>Capital and Reserves</b>	289 950	743 130	482 687	485 308	485 308	485 308	519 480	514 386	557 887
Accumulated Reserves	140 672	416 855	417 794	418 364	418 364	418 364	418 966	419 609	442 687
Surplus / (Deficit)	149 278	326 275	64 893	66 944	66 944	66 944	100 514	94 777	115 200
<b>Trade and Other Payables</b>	23 363	-	-	-	-	-	-	-	-
Trade Payables	22 873	-	-	-	-	-	-	-	-
Other	490	-	-	-	-	-	-	-	-
<b>Deferred Income</b>	288 332	-	-	-	-	-	-	-	-
<b>Provisions</b>	4 409	-	-	-	-	-	-	-	-
Leave pay provision	822	-	-	-	-	-	-	-	-
Other	3 587	-	-	-	-	-	-	-	-

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
Total departmental transfers/grants										
Category B			1 500							
Oudtshoorn			1 500							
Total transfers to local government			1 500							

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
Cango Caves Infrastructure project			1 500							
Category B			1 500							
Oudtshoorn			1 500							

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Cape Town Metro</b>	342 623	502 910	271 057	289 491	284 971	284 971	<b>401 930</b>	41.04	436 960	462 174
<b>West Coast Municipalities</b>	28 484	29 824	91 976	107 582	107 582	107 582	<b>121 437</b>	12.88	92 402	92 592
Saldanha Bay			55 956	64 632	64 632	64 632	<b>74 187</b>	14.78	42 566	40 054
Across wards and municipal projects	28 484	29 824	36 020	42 950	42 950	42 950	<b>47 250</b>	10.01	49 836	52 538
<b>Cape Winelands Municipalities</b>	4 718	6 346	6 808	7 208	7 208	7 208		(100.00)		
Across wards and municipal projects	4 718	6 346	6 808	7 208	7 208	7 208		(100.00)		
<b>Overberg Municipalities</b>	5 870	6 500	6 500	6 877	6 877	6 877		(100.00)		
Across wards and municipal projects	5 870	6 500	6 500	6 877	6 877	6 877		(100.00)		
<b>Garden Route Municipalities</b>	6 179	7 805	16 962	15 956	15 956	15 956		(100.00)		
Oudtshoorn			1 500							
Across wards and municipal projects	6 179	7 805	15 462	15 956	15 956	15 956		(100.00)		
<b>Central Karoo Municipalities</b>	6 000	6 000	6 000	6 348	6 348	6 348		(100.00)		
Across wards and municipal projects	6 000	6 000	6 000	6 348	6 348	6 348		(100.00)		
<b>Total provincial expenditure by district and local municipality</b>	<b>393 874</b>	<b>559 385</b>	<b>399 303</b>	<b>433 462</b>	<b>428 942</b>	<b>428 942</b>	<b>523 367</b>	22.01	529 362	554 766

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Cape Town Metro</b>	40 330	51 656	58 067	65 221	59 236	59 236	<b>67 555</b>	14.04	63 151	67 040
<b>Total provincial expenditure by district and local municipality</b>	<b>40 330</b>	<b>51 656</b>	<b>58 067</b>	<b>65 221</b>	<b>59 236</b>	<b>59 236</b>	<b>67 555</b>	14.04	63 151	67 040

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Cape Town Metro</b>	31 035	15 010	10 523	11 106	12 481	12 481	68 365	447.75	93 462	97 741
<b>West Coast Municipalities</b>				4 750	4 750	4 750		(100.00)		
Across wards and municipal projects				4 750	4 750	4 750		(100.00)		
<b>Cape Winelands Municipalities</b>	4 718	6 346	6 346	6 714	6 714	6 714		(100.00)		
Across wards and municipal projects	4 718	6 346	6 346	6 714	6 714	6 714		(100.00)		
<b>Overberg Municipalities</b>	5 870	6 500	6 500	6 877	6 877	6 877		(100.00)		
Across wards and municipal projects	5 870	6 500	6 500	6 877	6 877	6 877		(100.00)		
<b>Garden Route Municipalities</b>	6 179	7 805	7 805	8 258	8 258	8 258		(100.00)		
Across wards and municipal projects	6 179	7 805	7 805	8 258	8 258	8 258		(100.00)		
<b>Central Karoo Municipalities</b>	6 000	6 000	6 000	6 348	6 348	6 348		(100.00)		
Across wards and municipal projects	6 000	6 000	6 000	6 348	6 348	6 348		(100.00)		
<b>Total provincial expenditure by district and local municipality</b>	53 802	41 661	37 174	44 053	45 428	45 428	68 365	50.49	93 462	97 741

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Cape Town Metro</b>	29 179	25 767	15 522	12 569	11 459	11 459	16 321	42.43	16 112	15 217
<b>West Coast Municipalities</b>	28 484	29 824	34 020	36 200	36 200	36 200	47 250	30.52	49 836	52 538
Across wards and municipal projects	28 484	29 824	34 020	36 200	36 200	36 200	47 250	30.52	49 836	52 538
<b>Total provincial expenditure by district and local municipality</b>	57 663	55 591	49 542	48 769	47 659	47 659	63 571	33.39	65 948	67 755

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Cape Town Metro</b>	10 868	10 479	9 631	9 761	8 647	8 647	9 900	14.49	10 502	11 213
<b>Cape Winelands Municipalities</b>			462	494	494	494		(100.00)		
Across wards and municipal projects			462	494	494	494		(100.00)		
<b>Garden Route Municipalities</b>			507	548	548	548		(100.00)		
Across wards and municipal projects			507	548	548	548		(100.00)		
<b>Total provincial expenditure by district and local municipality</b>	10 868	10 479	10 600	10 803	9 689	9 689	9 900	2.18	10 502	11 213

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Cape Town Metro</b>	138 785	296 135	81 394	84 221	82 982	82 982	115 084	38.69	127 954	135 264
<b>West Coast Municipalities</b>			47 956	56 632	56 632	56 632	74 187	31.00	42 566	40 054
Saldanha Bay			46 956	55 632	55 632	55 632	74 187	33.35	42 566	40 054
Across wards and municipal projects			1 000	1 000	1 000	1 000		(100.00)		
<b>Total provincial expenditure by district and local municipality</b>	138 785	296 135	129 350	140 853	139 614	139 614	189 271	35.57	170 520	175 318

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Cape Town Metro</b>	39 882	49 341	43 747	46 632	48 032	48 032	60 154	25.24	62 963	66 511
<b>West Coast Municipalities</b>			1 000	1 000	1 000	1 000		(100.00)		
Across wards and municipal projects			1 000	1 000	1 000	1 000		(100.00)		
<b>Garden Route Municipalities</b>			8 650	7 150	7 150	7 150		(100.00)		
Oudtshoorn			1 500							
Across wards and municipal projects			7 150	7 150	7 150	7 150		(100.00)		
<b>Total provincial expenditure by district and local municipality</b>	39 882	49 341	53 397	54 782	56 182	56 182	60 154	7.07	62 963	66 511

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2015/16	2016/17	2017/18	2018/19	2018/19	2018/19	2019/20	2018/19	2020/21	2021/22
<b>Cape Town Metro</b>	52 544	54 522	52 173	59 981	62 134	62 134	64 551	3.89	62 816	69 188
<b>West Coast Municipalities</b>			9 000	9 000	9 000	9 000		(100.00)		
Saldanha Bay			9 000	9 000	9 000	9 000		(100.00)		
<b>Total provincial expenditure by district and local municipality</b>	52 544	54 522	61 173	68 981	71 134	71 134	64 551	(9.25)	62 816	69 188