

ANNUAL REPORT **2004/05**



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ABBREVIATIONS

AMTS	Advanced Manufacturing and Technological Strategy
CAPEMAC	Cape Manufacturing Advice Centre
CBI	Cape Biotech Initiative
CCDI	The Cape Craft and Design Institute
CFC	The Cape Film Commission
CIMM	Cape Initiative in Materials in Manufacturing
CITI	Cape IT Initiative
CMT	Cut, Make and Trim industry
COGSI	Cape Oil and Gas Supply Initiative
CPUT	Cape Peninsula University of Technology
CSIR	Council for Scientific and Industrial Research
CTBTi	Cape Town Boat-building and Technology Initiative
CTRU	Cape Town Routes Unlimited
CTICC	Cape Town International Convention Centre
CTC	Calling the Cape
DBSA	Development Bank of Southern Africa
DEAT	Department of Environmental Affairs and Tourism (DEAT) (national)
dti	Department of Trade and Industry (national)
DPSA	Department of Public Service Administration (national)
EDUs	Economic Development Units
FET	Further Education and Training
HDIs	Historically Disadvantaged Individuals
HRDS	Human Resources Development Strategy
HRFU	Human Resource Focal Unit
IDPs	Integrated Development Plans
IDZ	Industrial Development Zone

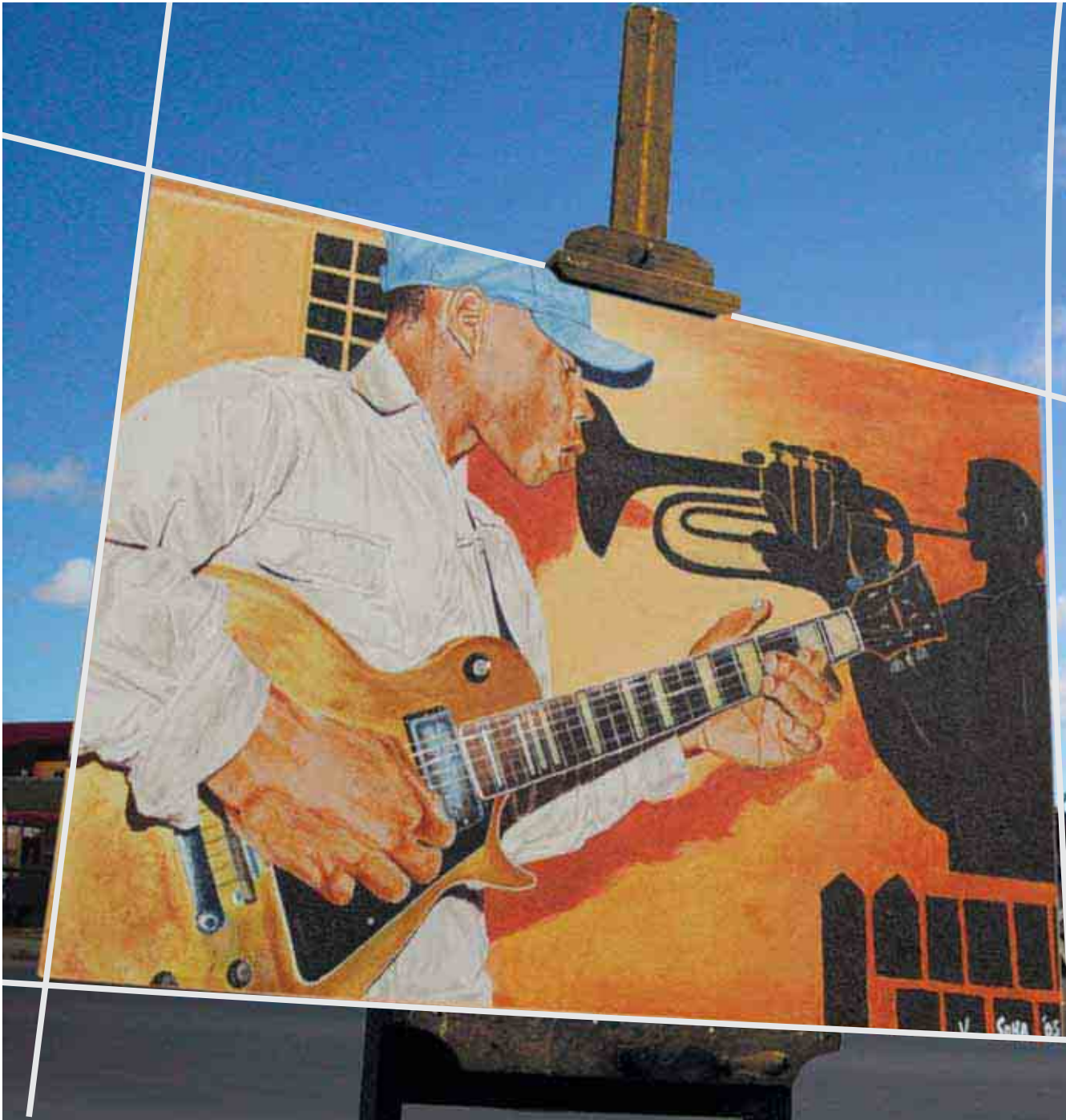
IMS	Integrated Manufacturing Strategy (national)
ISRDP	Integrated Sustainable Rural Development Strategy
ITDF	Integrated Tourism Development Framework
ITESP	Integrated Tourism Entrepreneurship Support Programme
LBCs	Library Business Corners
LCF	Learning Cape Festival
LED	Local Economic Development
MEDS	Micro-economic Development Strategy
NFTGSA	National Federation of Tourist Guide Associations of South Africa
OCP	Office of the Consumer Protector (Department of Economic Development and Tourism)
PDC	Provincial Development Council
PGDS	Provincial Growth and Development Summit
PIMSS	Planning Implementation Management Support Services
RED	Real Enterprise Development initiative
RFIs	Retail Financial Intermediaries
RTLCS	Regional Tourism Liaison Committees
SAMI	South African Mariculture Initiative
SAPPEX	South African Protea Producers Exporters Forum
SATSA	Southern African Tourism Services Association
SAQA	South African Qualifications Authority
SEDA	Small Enterprise Development Agency (national)
SMMEs	Small, Micro and Medium Enterprises
SPVs	Special Purpose Vehicles
THDs	Tourism Help Desks
THETA	Tourism, Hospitality and Sport Education and Training Authority
URDP	Urban Renewal Development Programme
WCED	Western Cape Education Department

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General Information
PART: 1

Velile Soha
Guitarist making music for a living (Langa)

GENERAL INFORMATION

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1.1 Submission of the annual report to the executive authority

I have the honour of submitting the 2004/05 Annual Report of the Department of Economic Development and Tourism in terms of the Public Finance Management Act, 1999.



BRENDON ROBERTS
ACCOUNTING OFFICER
31 May 2005

1.2 Introduction by the head of the institution

Inward focus

For a number of years the Department has been engaged in excellent but small-scale work, with limited impact on the wider economy. This was particularly so in relation to its role in promoting large-scale participation in the economy by the previously disadvantaged and the presently marginalised.

If it were to maximise its impact, the Department needed to be re-orientated, its work needed to be re-organised and it needed to be re-structured.

This, then, was the dominant theme of inwardly focused work during the reporting period.

Re-orientation

By the end of the fiscal year, after many, many hours of self-examination, discussion and planning, the Department had been re-orientated. In future, we will intervene in the economy in a meaningful way, by using highly specific initiatives. Most of these will be outsourced. Our role is to develop strategy, select the most critical policy levers, and shape interventions to give effect to these. We will monitor, evaluate, and if necessary, adjust our interventions. The scale and/or intensity of our initiatives will be increased significantly.

Re-organisation of work

Our work was re-organised around two major themes: economic growth/competitiveness and economic participation. The existing regulatory function was extended to become proactive in creating a fair business environment. The usual support activities were deepened and broadened.

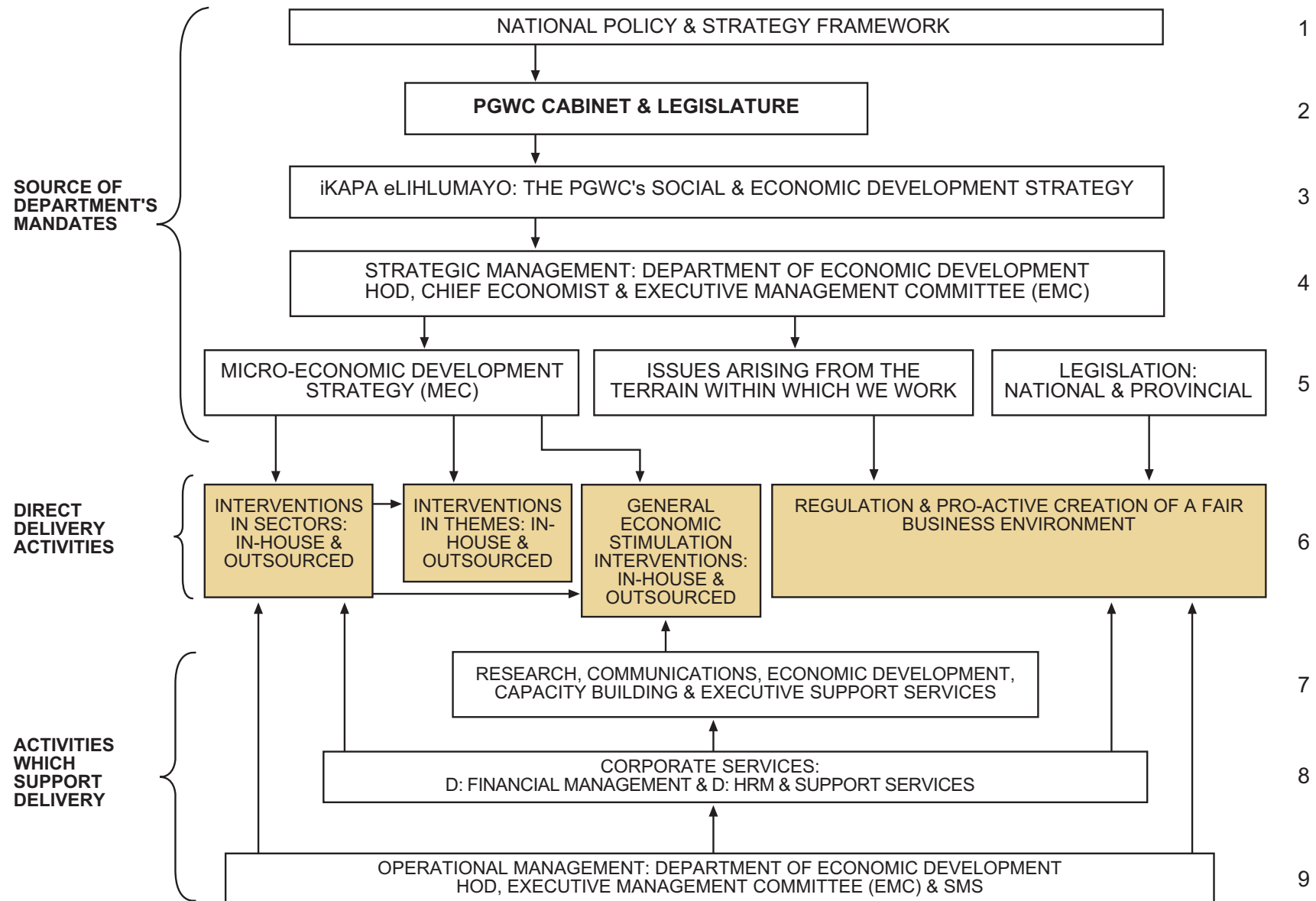
Re-structuring

We proposed to Cabinet a significant increase in staff. Cabinet supported the increase, which will be effected in two annual phases. This massive business re-engineering was informed by the need to develop a machine which was responsive to and able to deliver on the Micro-economic Development Strategy (MEDS). The MEDS will consist of sector-based and theme-based research and analysis, and will recommend highly targeted policy levers to be considered to generate meaningful shared, sustainable, and labour-absorbing growth. **Table 1.2.1: The reorganised Department of Economic Development and Tourism** on page 3 illustrates the work of the Department and the alignment thereof to the national and provincial contexts.

With the strategy and the re-orientated and re-organised structure in place, what we needed was the financial resources to give effect to the strategy. This was motivated for, and very significant provisions have been made for the next three fiscal years.

The only delay we may face in delivering optimally could be delays in the filling of posts.

Table 1.2.1: The Reorganised Department of Economic Development and Tourism



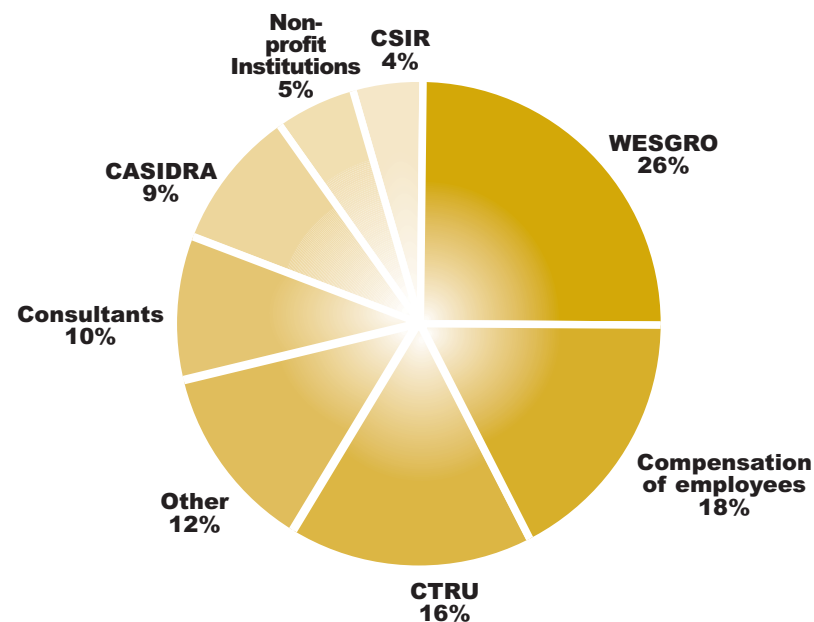
Use of funding

The tale of the tape measure pretty much shows the "old" approach and focus of the Department. We spent more than 93% of our revenue on a relatively few items, namely:

- R31,7 million went to WESGRO for the film studio (R15 million), the rapid response capacity (R10 million) and its basic grant to perform its core functions (R6,7 million).
- R22,18 million was spent on the compensation of employees.
- R20,53 million was used to fund the CTRU.
- R15,74 million was provided to fund the remaining budget spend, including transfers to municipalities; travel and subsistence; advertising; Auditor-General's fees; training and staff development; and capital equipment.
- R12,2 million was used to outsource services to consultants.
- R11,7 million went to CASIDRA mainly as our agent to set up the RED Door operation and to capitalise the iKapa/ABSA SMME Fund that provides access to finance for Small Enterprises.
- R6,81 million was provided to 18 non-profit organisations to undertake certain interventions in the economy.
- R5,55 million was managed as a rural economic projects development fund on our behalf by the CSIR.

Table 1.2.2: Significant expenditure (>R5 million) by the Department:

WESGRO	R31,700,000
Compensation of employees	R22,182,084
CTRU	R20,532,000
Other	R15,749,839
Consultants	R12,206,953
CASIDRA	R11,700,000
Non-profit institutions	R6,818,000
CSIR	R5,550,000
TOTAL	R126,438,876



Outward focus

The flagship intervention in the economic participation portfolio that was launched this year was the RED (Real Enterprise Development) Initiative. Our first two RED Door offices were established in the two urban Presidential nodes of Khayelitsha and Mitchell's Plain. Dramatic early success was achieved and enormous energy went into preparation of the roll-out of the next six RED Door offices.

Local Economic Development is expected to be accelerated dramatically through the establishment of Die Plek Plan. Huge amounts of energy went into its conception and the shaping of details. Die Plek Plan aims to send highly skilled agents into rural municipalities and urban areas to identify or define and fast-track significant local economic development projects. They will be supported by a sophisticated head office operation. Initial responses from municipalities were very warm and welcoming.

The rising stars in the industry development portfolio were:

- Oil and Gas: Huge progress was made behind the scenes in both the service hub, and the exploration and production ends of the oil and gas industry with economy-enhancing investment and development initiatives set to be announced in the next fiscal year.
- Contact Centres: The star-performing services sector was the Call Centre and BPO sector. A successful promotional trip to the UK and the Netherlands by the Premier and the portfolio MEC led to a huge surge in enquiries and investments from these major source countries.

Among the major shifts in emphasis is the way the roles of the public entities changed:

- WESGRO's role as an industrial development agent saw it manage the investment of R60 million of a combination of public funds in the film studio project. In addition, WESGRO managed the R10 million purchase of Novel Garments SA in order to rescue jobs in Atlantis.
- The Destination Marketing Organisation began trading as Cape Town Routes Unlimited (CTRU) and our budgetary contribution to it as our tourism marketing agent nearly tripled.

In the Fair Business Environment portfolio the two significant developments were:

- The finalisation of the Liquor White Paper, which will form the basis of Provincial Liquor Legislation.
- The roll-out of advice offices linked to the Office of the Consumer Protector reached our initial goal of 28, and the use of the free call centre line has led to a dramatic increase in cases resolved.

For the rest, staff delivered services, exerted positive influence and undertook meaningful initiatives. The many big and small successes which they achieved are detailed in the remainder of this report.

1.3 Information on the Ministry

April 2004 saw the National and Provincial Government elections taking place, after which a new Cabinet was formed. With this reshuffle, the Ministry of Tourism's functions were included in the Ministry of Finance and Economic Development under Vote 3: Provincial Treasury. Funds for the Ministry were shifted to Vote 9: Environmental Affairs and Development Planning via the 2004 Adjustment Estimate process, and the Department no longer hosted the Ministry.

1.4 Mission statement

The Department of Economic Development and Tourism's vision is encapsulated in the vision of the National Growth and Development Strategy and the vision of iKapa eliHlumayo.

The National Growth and Development Strategy's vision is one of a South Africa which is:

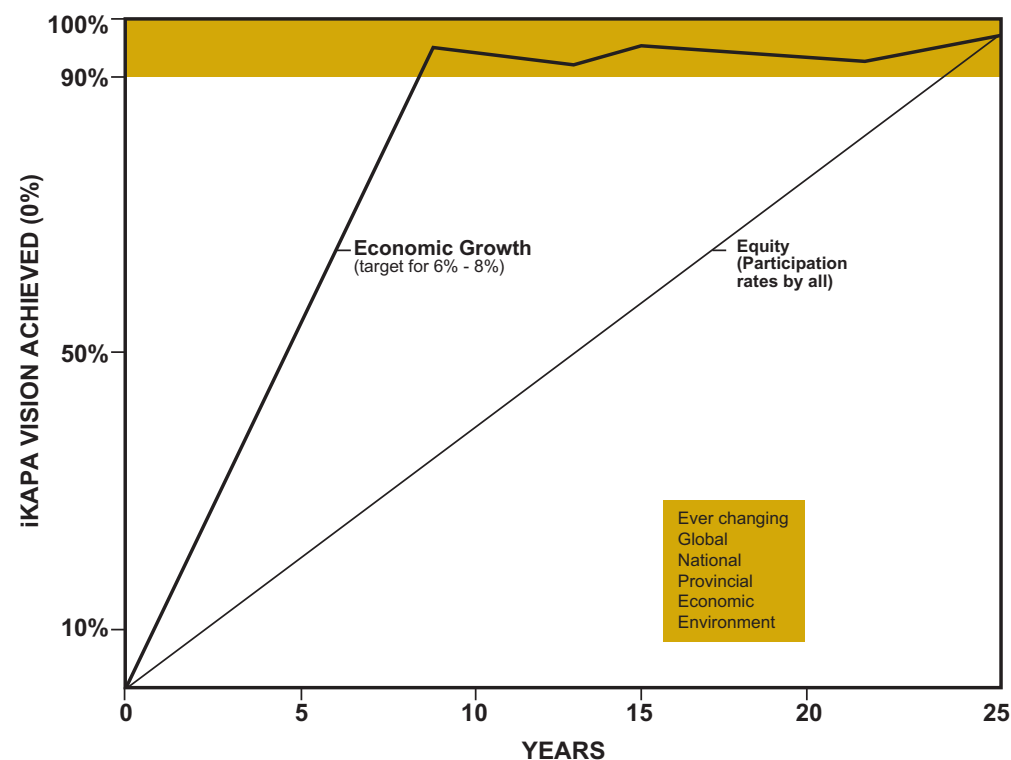
- The leading emerging market and destination of first choice for investors, while retaining and expanding social equity and fair labour standards.
- A productive economy with high levels of service, a highly skilled workforce, and modern systems of work organisation and management.
- A society in which there are economic opportunities for all, poverty is eradicated, income inequalities are reduced and basic services are available to all.
- A society in which our people, our most precious resource, are given the opportunity and support to develop to their fullest potential.
- A society that promotes the values of social equity, fairness, and human dignity in the global economy.

iKapa eliHlumayo's vision is one of a Western Cape which offers dignity, equity and prosperity to all those who make it their home.

In essence, our vision is one of a shared, sustainable, growing, labour-absorbing and globally competitive economy.

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

Table 1.4.1: Vision for achieving growth and equity over the next 25 years



1.5 Legislative mandate

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

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

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

Annual Division of Revenue Act

To provide for the equitable division of revenue, including conditional grants, between the three spheres of government.

Public Service Act, 1994 (Act 103 of 1994) and Regulations, 2001

To provide for the organisational structure and administration of the Department and for Human Resource Management which includes the regulation of conditions of employment, terms of office, discipline, retirement, and discharge of staff members of the Department.

Labour Relations Act, 1995 (Act 66 of 1995)

To regulate and guide the Department in recognising and fulfilling its role in effecting a harmonious and democratised workplace.

Basic Conditions of Employment Act, 1997 (Act 75 of 1997)

To provide regulatory prescripts in addition to the Public Service Act (1994) and the Public Service Regulations (2001) regarding the conditions of employment of staff in the Department.

Skills Development Act, 1998 (Act 97 of 1998)

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the national qualification framework contemplated in the South African Qualifications Authority Act (1995); to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy scheme and a national skills fund; and to provide for and regulate employment services.

Skills Development Levies Act (Act 9 of 1999)

To provide for the imposition of a skills development levy.

Promotion of Access to Information Act, 2000 (Act 2 of 2000)

To give effect to the constitutional right of access to any information held by the state and any information that is held by another person, which is required for the exercise or protection of any rights.

Occupational Health and Safety Act, 1993 (Act 85 of 1993)

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and

machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with activities of persons at work; and to establish an Advisory Council for Occupational Health and Safety.

Western Cape Constitution, 1996 (Act 1 of 1998)**Employment Equity Act, 1998 (Act 55 of 1998)**

To regulate the process and procedures of the Department in achieving a diverse and competent workforce broadly representative of the demographics of the Western Cape and eliminating unfair discrimination in employment towards implementing employment equity.

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

To establish the Western Cape Investment and Trade Promotion Agency (WESGRO). WESGRO's function is to promote trade and investment.

Liquor Act, 1989 (Act 27 of 1989)

When the national Liquor Act, No 59 of 2003 came into effect during the 2004/05 financial years, the Liquor Act, No 27 of 1989 became the default provincial legislation that will regulate the retail and micro-manufacturing sector of the liquor industry until replaced by the proposed provincial liquor legislation.

Liquor Act, 2003 (Act 59 of 2003)

The Liquor Act No 59 of 2003 came into effect during the 2004/05 financial year and replaces the Liquor Act, No 27 of 1989. It introduces a three-tier system into the liquor industry and will regulate the manufacturing and distribution tier. It provides for the devolution of functions relating to the distribution tier to the Provincial Minister and it requires the Provincial Liquor Licensing Authority to provide it with statistical information relating to the retail and micro-manufacturing tier.

Businesses Act, 1991 (Act 71 of 1991)

The Businesses Act is assigned national legislation that provides for the regulation of informal trading by municipalities, subject to monitoring of the relevant bylaws by the Provincial Minister. It further provides that the Provincial Minister may act as an appeal

authority in instances where municipalities refuse applications by certain types of businesses for licences to trade.

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

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

National Small Business Amendment Act, 2003 (Act 26 of 2003)

To provide for the establishment of the National Small Business Council and the Ntsika Enterprise Promotion Agency; to provide guidelines for organs of state in order to promote small business in the Republic; and to provide for matters incidental thereto. The amendment was to repeal all provisions pertaining to the National Small Business Council and to empower the Minister to facilitate and establish an Advisory Body to represent the interests of small business.

Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

Municipal Systems Act (2000)

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

Municipal Finance Management Act, 2000 (Act 56 of 2000)

To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.

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

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

Marine Living Resources Act, 1998 (Act 18 of 1998)

To provide for the conservation of the marine ecosystem; the long-term sustainable utilisation of marine living resources; and the orderly access to exploitation, utilisation and protection of certain marine living resources. Furthermore, these objectives must ensure that the control over marine living resources is exercised in a fair and equitable manner to the benefit of all the citizens of South Africa as well as to provide guidance on other related matters.

National Environmental Management Act, 1998 (Act 107 of 1998)

To provide for co-operative, environmental governance by establishing principles for decision-making on matters affecting the environment; institutions that will promote co-operative governance and procedures for co-ordinating environmental functions exercised by organs of state; and to provide for matters connected therewith.

National Bio Diversity Act, 2004 (Act 10 of 2004)

To, within the framework of the National Environmental Management Act, provide for:

- the management and conservation of biological diversity within the Republic and of the components of such biological diversity;
- the use of indigenous biological resources in a sustainable manner; and
- the fair and equitable sharing among stakeholders of benefits arising from bio prospecting involving indigenous biological resources.

White paper on Environmental Management Policy 1997

The policy document sets out the vision, principles, strategic goals and objectives as well as regulatory approaches that government will use for environmental management in South Africa. It was developed to serve as a guideline to manage all matters relating to the environmental policy prior to the adoption of the National Environmental Management Act (1998).

Policy for the management and allocation of commercial fishing rights (2005)

A policy document outlining the management principles and procedures for commercial fishing rights and the reasoning and rationalisation behind the allocation of these rights.

National policy framework for Agriculture (1998)

A nationally based policy framework regulating the Agricultural industry in terms of products and materials arising from Mining, Forestry and Agriculture, to ensure the sustained growth and development of the industry and the efficient and effective utilisation of scarce resources.

The National Integrated Manufacturing Strategy (IMS 2003)

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

The Advanced Manufacturing and Technological Strategy (AMTS 2004)

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

The Integrated Tourism Development Framework (ITDF 2002)

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

National Tourism Amendment Act, 2000 (Act 8 of 2000)

To amend the Tourism Act (1993), in order to further regulate the composition of the South African Tourism Board and to promote and maintain a sound working relationship between the board and the provinces.

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

To amend the Tourism Act (1993). Provisions in the Act include: further training and registration of tourist guides; a code of conduct

and ethics for tourist guides; procedures to lodging complaints; and disciplinary measures.

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

To provide for the establishment of the Destination Marketing Organisation (DMO). The main purpose of the DMO is to promote the growth and transformation of the tourism sector in the Western Cape.

Provincial Cape Town International Convention Centre Act, 2000 (Convenco Act 8 of 2000)

To provide for the Province's shareholding in the Cape Town International Convention Centre Company and for the funding provided to the Company by the Province.

White Paper on Sustainable Tourism Development and Promotion (2001)

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

Electronic Communications and Transactions Act, 2002 (Act 25 of 2002)

To establish a formal structure to define, develop, regulate and govern e-commerce in South Africa. The Act is "an enabling" piece of legislation which, inter alia, attempts to provide functional equivalents for paper-based concepts.

E-Government Policy (DPSA 2001)

The policy spells out the e-government vision; defines the benefits to be achieved in the process; sets priorities by identifying focus areas for immediate attention; defines the generic prerequisites that must be in place for advancements in the key areas to succeed; and gives specific recommendations on how to deliver results in each focus area, thereby preparing the Western Cape for the Knowledge Economy of the 21st Century.



Programme Performance
PART: 2

AYESHA PRICE
Ti Koelf's Heritage
(Cape Malay dressmaking)

PROGRAMME PERFORMANCE

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2.1 Voted Funds

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
R' 000	R' 000	R' 000	R' 000	R' 000
126 536	118 328	8 208	126 439	97
126 536	118 328	8 208	126 439	97
Responsible Minister	Minister of Finance, Economic Development and Tourism			
Administering Department	Department of Economic Development and Tourism			
Accounting Officer	BRENDON ROBERTS Deputy Director-General of Economic Development and Tourism			

2.2 Aim of Vote

To achieve the vision of iKapa eliHlumayo, the essential mandates of the Department of Economic Development and Tourism are:

- To **grow** the economy in a sustainable manner for the benefit for all who make the Western Cape their home.
- To create **employment**, especially for the presently unemployed.
- To make **ownership** of the economy representative of the demography of the Province.
- To increase levels of **participation** in the economy by all, especially by the previously excluded and presently marginalised.
- To make citizens and their enterprises effective players in the **global** economy.
- To create a fair, effective and conducive **business environment** for enterprises and consumers.

2.3 Key measurable objectives, programmes and achievements

2.3.1 Key measurable objectives

The key measurable objectives are described within each programme under **2.7 Programmes**.

2.3.2 Programmes

The activities of the Department of Economic Development and Tourism are organised in the following four programmes:

Programme 1: Administration

Sub-programme 1.1: Office of the Minister

Sub-programme 1.2: Corporate Services

Programme 2: Enterprise Development

Sub-programme 2.1: Business Regulation

Sub-programme 2.2: Industry Development

Sub-programme 2.3: Economic Development Co-ordination

Sub-programme 2.4: WESGRO

Programme 3: Tourism

Sub-programme 3.1: Tourism Development

Sub-programme 3.2: Tourism Regulation

Sub-programme 3.3: CTRU

Programme 4: iKapa eliHlumayo

The purpose of each programme is described within each programme under **2.7 Programmes**.

2.3.3 Achievements

Programme 1: Administration

Sub-programme 1.1: Office of the Minister

With the formation of a new Cabinet after the April 2004 National and Provincial elections, the Ministry of Tourism's functions were included in the Ministry of Finance and Economic Development under Vote 3: Provincial Treasury funds.

Sub-programme 1.2: Corporate Services

Financial Management has in a short period of time been highly successful in the implementation of systems surrounding its core functions of budget administration; the rendering of a departmental accounting service; the management of a provisioning and procurement section; and the management of an internal and risk management unit.

Successes include:

- the development and implementation of a financial manual, which outlines all relevant prescripts and financial norms and standards;
- the efficient management of the Department's budgeted expenditure to be within the 1% of its adjusted appropriation; and
- the development and implementation of an Accounting Officer's system to manage assets and procurement.

Human Resource Management has ensured that the performance assessments for the period 2003/04 were submitted for staff members who qualified for incentives. These assessments were reviewed and recommendations were made on future implementation of the system.



Interns accompanied the Executive Management Committee (EMC) to the reading of the Budget Speech: Brendon Roberts (HoD), in the back, is surrounded by Sivuyile Mnyamana, Marchelaine Bloems, Linah Maqashu, Qaphela Luthuli, Sizeka Ganjana, Hazel Mafanya, Unathi Khetsi, Nokwezi Mnukwa, Ivon Lobi, Nosiphiwo Sityatna, Ishmael Zwakala, Mahluthshana Nontsikelelo and Vuyo Bobo. They were captured in the passages of the Legislature on 20 April 2005.

Human Resource Development

The most galling phrase a new or unemployed graduate can read in the employment ads is "experience required". Galling because of the Catch-22 students find themselves in: can't get experience without getting a job; difficult to get a job without relevant experience. One could question whether it is worth three-to-four years of post-secondary education (and student debt) to have so few decently-paying employment options. While some tertiary institutions have addressed this problem with formal or informal relationships in the business sector that allow students to gain work-based experience, the national government's internship programme has brought opportunity to thousands more students, enabling them to now meet the demand for "experience required."

The internship programme is for recent graduates who are unemployed, and for students who, as part of their graduation requirement, must complete work-based experience. The programme plays a pivotal role in exposing interns to the demands of the workplace – putting theory into practice – and providing a venue from which to network for employment opportunities. At provincial level, the Department provided work-based experience across all units to 31 interns, giving teeth to the skills Development Act (1998) that seeks to empower tertiary learners and the quality of the South African labour force in this competitive working environment.

Qaphela Luthuli, vice-chairperson of the internship committee, and an intern in the Department's Human Resource Development Unit, summarises the internship experience:

"All interns feel welcome in the Department and the purpose of their presence within the Department is highly appreciated. We have also been given an opportunity to apply what we learn at tertiary institutions. This is evident in the fact that we are exposed to how things are done in the work place. Mentors assigned to interns assist and guide us on how to work more effectively and efficiently. The Department gives the interns a lifetime opportunity to prove themselves, as we are given a chance to participate in different events, for example, attending the MEC's Budget Speech, re-orientation of public servants' course, participation in action cricket, and the opportunity to have the Department of Labour teach us how to compile interesting CVs, prepare successfully for job interviews, and how to job hunt."

"As interns, we feel very privileged to have been chosen to do our in-service training in this Department. The mentors treat us like real employees and not as trainees, thus we feel the sense of belonging to this Department. They always encourage us to perform to the best of our ability as interns, and we wish and hope that all government departments treat internship programmes as seriously as this department does. Lastly, we appreciate the enthusiasm shown by the Head of Department (Brendon Roberts) towards this programme. The experience we gained in this programme has provided us with a solid and perfect stepping stone towards our chosen careers. We hope that one day we will give back in some way or other what we received from this programme. We could not have asked for a better place for our internship."

The Department did not exceed the 1.5% of the compensation of employees.

Successes include:

- In the development of human resource capacity of the Department, staff training needs were assessed and addressed through scheduling of human resource development interventions and the provision of bursaries.
- A budget has been provided for a project focusing on Quality of Work Life of employees.
- As an indication of the Department's commitment to contribute to the National Skills Development Strategy, work-based experience for currently unemployed graduates and undergraduates is provided through internships.
- To enhance the labour relations and transformation services rendered, the Department has made inputs on the drafting of provincial labour relations and HR policies; dealt with misconduct in a decisive manner; and engaged with organised labour at a departmental level.
- In the rendering of an effective support service, a registry has been established to address the issue of records management, messenger service, and other support. The unit is currently in the process of addressing occupational health and safety issues and service delivery improvement.

Programme 2: Enterprise Development

Sub-programme 2.1: Business Regulation

In the **Business Licensing** unit, the national Liquor Act (Act No 59 of 2003) was passed during 2003, and became operational on 13 August 2004. The Act imposes a three-tier system on the liquor industry, consisting of the manufacturing and the distributing tiers that will be regulated by the National Liquor Authority; while the sellers of liquor for consumption and micro-manufacturers will be provincially regulated. The thresholds that have been determined by national liquor regulations ensure that the vast majority of manufacturers will be classified as micro-manufacturers. This allows Provincial Government to ensure that micro-manufacturers receive government support.

The national legislation provides that any sale of liquor for consumption purposes must be regulated by provincial entities. Consequently, Provincial Government is in a position, by means of provincial liquor legislation, to address the impact that the sale of liquor has on consumers. The draft liquor policy document, which will guide the drafters of the provincial legislation, will be approved by Cabinet and the draft provincial legislation will be introduced into the provincial Parliament at the beginning of the 2005/06 financial year.

Initial efforts have been made to support industry organisations that promote the achievement of sustainable export growth in the wine industry. These efforts include supporting bodies that ensure international accreditation, and bodies that promote the exporting of quality Western Cape wines. It is intended that these measures will increase the export of quality wines from the Western Cape.

Unlicensed traders have been encouraged to apply for liquor licences; in particular a co-operative relationship has been developed with liquor traders' organisations whose membership comprise largely unlicensed traders. Also, applications from traders' organisations, which subscribe to codes of conduct that promote responsible trading practices, have been encouraged. An increase has been detected in the number of applications received from members of the various liquor traders' organisations.

A report on the impact that the supply of standard price bulk white wine in unsuitable containers has on rural communities has been received, and together with other stakeholders, measures are being taken to ensure that the contents and packaging meet minimum norms and standards. These measures will contribute to the reduction of the abuse of alcohol on farms and decrease the negative perceptions of the wine industry in the Western Cape, both locally and on the international market.

A draft curriculum for the mandatory training of new liquor licence holders, as envisaged in the White Paper on Liquor Licensing, has been developed by the Association for Responsible Alcohol Use in collaboration with the Department. Efforts to have the curriculum accredited and implemented are being made. Studies on the

relationship between the provision of training to the sellers of liquor and the decrease in crime are further being supported to ensure that the content of the training programme remains relevant. These measures will create a climate of responsible liquor trading amongst the sellers and servers of liquor.

The Department has supported two phases of a project to raise awareness of foetal alcohol syndrome (FAS) amongst learners within the Breede Valley. These measures will contribute to the reduction of the occurrence of new incidents of foetal alcohol syndrome in the Province.

In terms of the provisions of the Constitution, Provincial Government is exclusively responsible for the licensing of the retail liquor trade and micro-manufacturing. A White Paper containing a policy on the liquor industry has been approved and draft legislation is being developed for implementation.

Business Regulation houses the **Liquor Board** of the Western Cape and is primarily involved in the regulation of the retail and micro-manufacturing sectors of the liquor industry. The Liquor Board is a vital role-player in the SMME sector of the industry – it is estimated that on average, four jobs are created per licence granted. The Liquor Board approved approximately 1 200 new licences in the previous financial year.

Liquor, however, is also notorious for its social evils. The goal is to have a socially responsible liquor licensing system, with the emphasis on enhancing quality of life. The Liquor Board addressed a numbers of problems related to licensed premises, where in some instances licenses were revoked.

The main challenge for the 3-year period will be the balanced attempt to regulate the informal retail trade within the industry. A further important challenge for the unit will be to ensure compliance by licence holders. The need for a training and education programme for law enforcement agencies and prosecutors of the Justice Department relating to the compliance of liquor laws has been identified and will be developed and implemented.

The issue of organised crime activities within the retail and micro-manufacturing sectors of the liquor industry has become a priority and necessary steps have been taken to address this issue. However, this project demands sophisticated and careful planning, which requires the necessary human and other resources in order to address the problems effectively.

Apartheid had left South Africa with a legacy of poor, illiterate or semi-literate and acquiescent consumers who were ignorant of their important role as drivers of the economy, and who consequently were prepared to accept poor service, inferior products of limited range and the lack of or inadequate provision of redress. Base-line research carried out by the **Office of the Consumer Protector (OCP)** in 1999 revealed that the consumer complaints and advice service offered by the OCP was not easily accessible to the poor, and more particularly, to rural consumers for the following reasons:

- Geographical separation (distance from the office in Cape Town).
- Low levels of literacy and the consequent inability to properly articulate their problem(s) over the telephone.
- Poverty (no or insufficient funds to call the office in Cape Town).
- Technophobia (using a telephone, dealing with a voice-recording, being unfamiliar with computers, the Internet, etc.).

Taking cognisance of the above, OCP management realised that it would have to drastically revise its methods of delivery with regard to its mechanisms for complaints resolution in order to provide proper access to poor and otherwise marginalised people. The possibility of establishing satellite offices in each of the rural districts of the Province was investigated, and summarily abandoned when a preliminary and basic costing exercise revealed that this option would simply be too expensive. Accordingly, the OCP set about establishing a network of advice offices as walk-in service points throughout the Province where consumers could lodge their consumer-related complaints in a face-to-face environment.

Furthermore, the accessibility to the unit's internal complaints management mechanisms was improved through the establishment of a call centre (with an integrated electronic complaints management system) that can be accessed toll-free, as well as the

FASfacts

Bob and Billy are two unusual characters used to drive home the message that Foetal Alcohol Syndrome (FAS) can be prevented. Bob and Billy are lead actors in FASfacts, an experiential learning programme piloted to thousands of learners in 27 primary schools in the Breede Valley area and to 64 adults so far. Expansion of the programme will continue in 2005-2006 to include more than a thousand adults on farms in the same area.

FASfacts is sponsored by the Department of Economic Development as a FAS-prevention campaign. The campaign is two-fold: Teaching FAS prevention while also teaching life skills, giving learners the tools to be active change agents in spreading the

FAS-message in their communities.

Therefore, through discussion, demonstration, participation and role play, participants learn the devastating effect alcohol consumption can have on a foetus, and the power they have to prevent this.

This is where Bob and Billy come in. They are bean seeds representing pregnancy. Participants get their own Bob to take home and the group raises Bob and Billy at school. Bob (Beste Opgepaste Baba) is watered regularly, while Billy is drenched in alcohol.

Learners see firsthand Bob's and Billy's different growth patterns over several weeks. Bob grows and thrives. Billy does not.



Using a half of a small orange and a half of a large orange, facilitator Simon Witbooi demonstrates the FAS-message that alcohol consumption during pregnancy causes severe brain damage. The small squashed orange depicts the damaged FAS-brain, and the unscathed larger orange a normal brain. On the right Witbooi shows learners the difference in size between the smaller FAS-brain and the larger normal one.



Through role-play learners experience some of life's obstacles that FAS children face everyday; obstacles such as being unable to get the right hand to act on the brain's command to scratch the head.

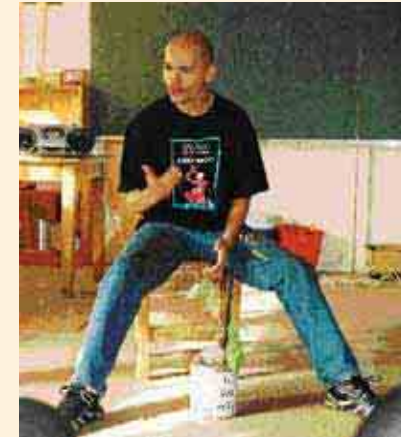


Adults also learn about FAS side effects through role play...



... and then use handprints to sign the FASfacts pledge that they "make a difference."

With the growing plant as proof, Simon Witbooi discusses a thriving "Bob" and non-existent Billy.



Proud learners show off their thriving "Bobs" and hand painted pledge that they, too, "make a difference".



provision of ground-floor premises with high visibility and prominent signposting. In addition, substantial energy was spent on marketing the existence and services of the OCP. This has resulted in vastly increased levels of awareness as reported by members of the public and other role-players, and an almost three-fold increase in the number of complaints lodged with the unit by consumers. Despite the major increase in the volume of work, the unit continues to achieve a resolution rate of more than 65% of complaints lodged within the first 30 days after lodgement.

The Consumer Affairs (Unfair Business Practices) Act (Act 10 of 2002) was passed on 10 December 2002 and has not yet been put into operation due to a variety of constraints.

Sub-programme 2.2: Industry Development

Despite a challenging year in terms of strategic and staff restructuring, the sectoral projects and programmes of the Department experienced significant movement, buoyed largely by the iKapa eliHlumayo funding of the previous year. Funding was allocated for the operationalisation of the sector bodies and for the implementation of specific projects emanating from the sector bodies.

In terms of the new sector bodies, the Cape Oil and Gas Supply Initiative (COGSI), the Cape Town Boat-building and Technology Initiative (CTBTi), and the South African Mariculture Initiative (SAMI) were incubated and supported within the Department and then launched as independent entities. In particular, COGSI has generated considerable interest both locally and internationally, and has already made an impact on the number of oil and gas related tenders being allocated to Western Cape-based firms. COGSI is currently in the process of establishing a "foundation" to ensure that the Province can meet the demanding requirements expected by the oil majors, and to build the profile of the region. CTBTi has also made some exciting breakthroughs – in particular the establishment of a boat building course and academy in co-operation with one of the FET colleges.

Regarding the more mature sector initiatives, The Cape IT Initiative (CITI) has continued to play an important role in profiling the Western Cape as the ICT and software development "hub" of Africa, and has successfully survived a tough relocation of its internationally acclaimed Bandwidth Barn, which hosts more than 60 ICT SMMEs. Within the Barn, a special programme named the "launchpad", was developed to provide intensive support to black ICT entrepreneurs. Ten black companies, employing 60 staff, were incubated and mentored within the bandwidth barn as part of the first pilot stage funded through the Province. Seven of the 10 companies were still in existence at the year-end.

The Department has played an active role in the beleaguered clothing industry, driving a major competitiveness programme with 16 of the major firms, which in total employ more than 10,000 people. In addition, it actively supported Clotex and embarked on a number of joint initiatives to assist in the "formalisation" of the Cut, Make and Trim (CMT) industry.

The Cape Craft and Design Institute (CCDI) continued its nationally recognised interventions in supporting emerging crafters, and in ensuring that design and skills are optimised.

The film industry has clearly experienced a difficult year, with commercials having lost considerable market share to South America in particular. The Film Commission has, however, continued to improve its service, and to play a strong leadership role in the industry. A key "pressure release valve" has been the financing of the Film Empowerment Fund that was piloted during the year. The Film Empowerment Fund was well received by emerging film producers and students.

Calling the Cape has achieved considerable success in attracting call centres to the Province, with R300 million worth of foreign investments being made and more than 2 000 operators being employed.

The support programme for sector related special purpose vehicles (SPVs) was strengthened during the year, with a performance indicator tool being developed and applied. A workshop was

Buyer Beware Part 1

Debt-ridden consumers just wanting to get away from their creditors often view being placed under administration as "manna from heaven". After all, interest payments are suspended, the summonses stop coming, and they are given a chance to pay off their debt over a long period of time at a low monthly installment. Not so, realised Mrs A, whose husband placed himself under administration in May 1998 when the creditors were at his door almost weekly. Initially things were fine – the creditors left him alone and instead of skipping several creditors' instalments in order to pay arrears on one or two who were on the verge of removing his furniture, he was able to pay a very affordable monthly instalment of R360 to his administrator, who promised that he would "sort everything out". Five years and R22,320 later, Mr and Mrs A have learnt the hard way: The administrator paid only one of their creditors for a grand total of R398.31!

A 2002 study commissioned by the Micro-Finance Regulatory Council revealed that three years after being placed under administration, the vast majority of such consumers found themselves stuck with a much higher debt than at the time they sought the protection of an administrator. Mr A is now waiting to see whether his charge of theft against his administrator will result in him being arrested and charged.

Buyer Beware Part 2

Debt-ridden consumers are often encouraged to consolidate their debts for easier repayment to one lender. In March 1999 Mr S decided to do just so. He approached a micro-lender for a loan. He excitedly signed "papers" with the very friendly and helpful assistant who promised him that his various debts would be settled in about two weeks, and that he need only start repaying the loan the following month. Mr S waited ... and waited ... and waited. Eventually, he realised that the consolidation loan was not going to materialise and, therefore, continued, with much personal sacrifice, to pay off his various debts. Almost two years after settling the last of his debts, a deduction of R1,730 (more than 35% of his normal take-home pay) suddenly appeared on his pay-slip. Mr S approached the Office of the Consumer Protector in a state of panic. Upon enquiry, the micro-lender who had instituted the deduction (a subsidiary of one of the "big four" banks) insisted that Mr S had received the consolidation loan of approximately R18,000 in 1999 and that it had, due to non-payment, grown to R91,000 in the almost four years since! After many


acrimonious telephone calls and faxes, the bank reversed the deductions pending an investigation, in which it was eventually found that the consumer actually owed it only around R9,000. Naturally a very relieved Mr S was only too happy to accept this hard-fought settlement and has since paid it off. He is now free of the micro-loan debt and has vowed never to borrow from a micro-lender again.

Buyer Beware, Part 3


Retrenchment insurance. Sounds like a good thing. Especially in these days of job uncertainty. That's what Mr D thought after he'd already signed to buy a washing machine with a cash price of R2,525 and was told that it included a "buyer's protection" policy. These policies typically provide cover for six months, though sometimes only for three months, if you lose your job through retrenchment. In Mr D's case, the "included" policy actually cost R1,388 – 55% of the cash price of the fridge! (And we haven't even added the interest on the R1,388 over the two years of the loan). At R224 per month over six months for a total of R1,344, the payout would be less than the customer's buyer protection policy of R1,388. Is buyer protection worth it? You decide...

**An informed consumer
is a satisfied consumer**

The Sheriff



**OFFICE OF THE CONSUMER
PROTECTOR (WESTERN CAPE)**



**Department of Economic Development
& Tourism**



RIGHT: Interviewing a participant at the Learning Cape Festival in Khayelitsha.



LEFT: Dancing up a storm at the Learning Cape Festival in Khayelitsha.

The Learning Cape Festival (LCF)

What started with a handful of dedicated learning visionaries in 2002 to hold a focused event promoting a culture of lifelong learning has, two years later, evolved into the annual learning festival in the Western Cape.

The Learning Cape Festival (LCF) highlights and profiles education, training and other developmental activities in the Western Cape as an important strategic intervention towards developing a learning province. This is an innovative and unique approach to achieving the human capital objectives set out in the vision of iKapa eliHlumayo – growing and sharing the Cape – that underpins an inclusive, sustainable and shared future for all.

The LCF promotes lifelong learning to increase participation rates in formal and informal learning across all ages, levels, sectors and geographical areas. Education, training and skills development interventions are built on solid foundations to better respond to economic, social and personal developmental needs. This is best achieved through partnerships and collaboration between business, labour,

government departments, civil society, the many varied education and training providers, and through gathering and developing reliable and up-to-date information.

Both the Department and the Western Cape Education Department (WCED) along with a wide range of social partners have supported and hosted the LCF as a month-long focus on learning achievements and challenges in the Province. The LCF is book-ended by two important dates in our lives, National Women's Day on 09 August, and International Literacy Day on 08 September.

The objectives of the LCF are to increase awareness about learning as a key issue to social improvement, self-empowerment, and economic growth; to enhance network building to increase and improve learning opportunities; and to improve the connections between learning and work.

The LCF theme for 2004 was "Implementing the Growth & Development Summit Agreements in the 10th year of democracy", and the message for 2004 was, "Life can be different".

organised by the Department that included the CEOs and staff of all the SPVs to examine issues of corporate governance, performance management, and best practice in interventions. There are considerable lessons that are being learnt by the SPVs and these can be usefully shared. More than R10 million was contributed by the Department to eight sector bodies, which collectively hosted 190 events for over 5 000 people; have a combined database of 11 000 firms; managed 2 500 enquiries; sustained 9 665 jobs, assisted 1 500 BEE firms, and 2 100 SMMEs.

Towards the end of the financial year, the Department's interventions in HRD and skills were formalised into the concept of a Workforce Development unit. The Workforce Development unit consisted only of a manager and was not properly resourced. However, the unit played an important leadership role in workforce development matters in the Province. Important inputs and guidance were made around the various HRD processes underway including the WCED's HRD strategy and the Micro-economic Development Strategy (MEDS). In addition, the unit engaged the Provincial Development Council (PDC) with regard to HRD and skills development. Research was conducted into a groundbreaking SETAs' study in the Province, a highly innovative indicators project, and a labour force study. The Department played a pivotal role in the management of the month-long Learning Cape Festival (LCF), which had close to 500 events spread across the Province, and involved more than 100 organisations. In order to facilitate the LCF, a structure called the Learning Cape Initiative was proposed. The process of establishing the Learning Cape Initiative was facilitated by the Department.

Sub-programme 2.3: Economic Development Co-ordination

Small business development is regarded as the main driver in achieving economic growth and development. The key areas of focus of the **SMME Development** unit include competitiveness, employment generation, and income generation. SMME Development has adopted a policy and implementation framework, which has drawn significant features from local, national, and

international strategies, in order to ensure a coherent and integrated approach to small business development.

Achievements in SMME Development include:

- Close working relationships with local authorities in the planning and roll-out of the RED Door offices.
- Sustained collaborative initiatives with other government departments and private sector organisations.
- Business information points at 31 rural libraries.
- Good working relationships with the major financial institutions in the region and with RFIs.

The **Local Economic Development** unit is critically responsible for maintaining and sustaining relationships at municipal level through partnership and collaboration. The unit provides support to the municipalities through the establishment of the Economic Development Units (EDUs) at district level and will roll-out the EDUs at local B level. This will address capacity at local level and will ensure alignment between district municipalities, B-municipalities and Provincial Government.

The Local Economic Development unit further assisted local government with municipal IDP assessments and reviews, which has enabled identification of needs and key areas of opportunity within rural communities and townships. In conjunction with the MEDS, the identified opportunities can be piloted to increase job creation and participation of all communities and historically disadvantaged individuals. In addition, province-wide roadshows will ensure that awareness is created and maintained.

During the financial year, the newly created **Black Economic Empowerment** unit was highly under-resourced with limited capacity. Even though development of an Economic Empowerment policy has been relatively slow across the Province, the unit has made major strides. The unit had engaged key national stakeholders, such as the **dti**, to ensure alignment of national and provincial objectives. Since November 2003 intense consultation with provincial stakeholders in terms of the Provincial Growth and Development Summit (PGDS) was undertaken.

The RED Door

PAINTING the Province RED. That was the ad the Provincial Government ran in November last year to promote the RED Door, the Province's Real Enterprise Development initiative to have a one-stop business advice and opportunity centre for small business people where they need it. That's what the Province did in Khayelitsha and Mitchell's Plain, and now the RED Door has been brought to Hermanus, Atlantis and Paarl. RED Door offices in Knysna, Oudtshoorn and Beaufort West will be opened in April 2005.

Real Enterprise Development won't stop at eight advice centres though. The Provincial Government wants to see 35 centres operating in the next three years to address the diverse needs of rural, semi-urban and urban citizens, believing that entrepreneurs helped through these centres could generate 50,000 to 60,000 jobs a year.

Success of the RED Door offices in Khayelitsha and Mitchell's Plain can already be measured in terms of the number of people advised or helped – almost 1,700 to date. Of this number, many were helped to access government tenders – so far worth R8,8 million and counting. While the aim of the Provincial Government is to achieve equitable usage of the RED Door offices in line with broad-based Black Economic Empowerment (BEE), a breakdown of clients using the RED Door offices show that 40% are women, 30% are youth, and 2% are disabled.

The majority of entrepreneurs fall into the micro or survivalist market, and 60% are engaged in the retail sector. Construction is also a popular selection.

The main requests for advice or help are related to:

- starting a business;
- access to and assistance with tenders;
- access to finance; and
- business plan writing.

The Provincial Government hopes to build on this by providing on-the-job training at a later stage.

How will RED Door services be delivered?

- 3 languages;
- 2 educational levels; and
- a well-mapped plan of action for individual needs.

Premier Ebrahim Rasool and MEC Lynne Brown adding the finishing touches to the RED Door at the official opening of the RED Door office in Khayelitsha on 22 November 2004.



Why the RED Door?

In South Africa small business development initiatives have often been fragmented with considerable duplication of support services. Also, these services although limited in variety, seem to be available only in certain areas and non-existent in many rural areas. The survival rate of small businesses in South Africa does not compare favourably to similar developing countries. In addition, research shows that entrepreneurial activity within existing small businesses is not at desired levels. These and many other challenges, for example, broad-based Black Economic Empowerment, have prompted the establishment of the RED Door offices.

Globally, small business development has had huge successes. In developed countries small businesses contribute up to 60% to GDP.

In SA small businesses contribute about 35% to GDP.

The RED Door office is more than just a one-stop shopping solution for small business people. It forms part of Provincial Government's BEE plan to deliver on iKapa eliHlumayo.

Local Economic Development – EDUs

The Cape Winelands District Municipality runs one of five Economic Development Units (EDUs) established by the Department's Local Economic Development (LED) unit last year to enable trained and focused teams to be established within a District municipality to stimulate economic activity. With its R200,000 a year grant, over a three-year period, the Municipality commissioned sector studies on agriculture and tourism from Stellenbosch University, and tourism from a Dutch student seconded to the District for four years, in order to identify areas of intervention. Now in year two of the programme, information from these studies resulted in the creation of the Business Support Development Programme (BSDP) which was launched in February 2005 and run by the Business Opportunity Network (BON) to co-ordinate an integrated business support strategy to SMMEs in the Cape Winelands region. This business support strategy includes training and skills development, business planning and development support, business mentoring, and a business linkages and market development programme. The BSDP is a core component of the District's Local Economic Development Programme.

As the programme heads towards year three, the EDUs will be aligned to departmental programmes like Die Plek Plan and the RED Door, which will strengthen the Provincial Government's overall strategy to stimulate economic development throughout the Province.

BSDP milestones to date have been:

- facilitating 566 one-on-one consultations until December 2004; and an additional 110 to date,
- hosting numerous workshops on agri-business, access to finance, tendering, and business planning;
- opening an office in Paarl in October 2004 to assist businesses in the Drakenstein Municipality and surrounding areas. A consultant also holds workshops for the B-Municipalities; and
- two consultants visiting the B-Municipalities once a month to provide assistance to SMMEs, and interacting with councillors and departments in support of future business linkages with SMMEs.

By commissioning research, the Black Economic Empowerment unit also aimed to bridge the gap of inadequate resources, statistics and information. The research informed development, implementation and monitoring of policies and strategy. Engaging local municipalities was critical to ensure that the policies were taken through to grassroots level. In addition, the unit has played a critical role as broker and independent intermediary in the facilitation of BEE deals.

Sub-programme 2.4: WESGRO

As the official Trade and Investment Promotion Agency of the Western Cape, WESGRO's mandate on behalf of the Department of Economic Development and Tourism is to attract foreign and domestic investment and to grow exports of products and services of the province through development of export capability, demand and market access.

WESGRO's key achievements for the 2004/05 financial year include:

- Attracting and facilitating R1,864 billion worth of new foreign and domestic investments, set against the goal of R700 million for the financial year.
- Growing the number of exporting companies by 406, against a target of 200.
- Launching an Exporter Development Programme and training 368 companies.
- Supporting 3 Trading Houses.
- Handling 2 320 enquiries and distributing 756 trade leads.
- Facilitating 10 outward trade missions and participation in 2 trade fairs.
- Hosting 49 inward trade and investment missions.

As a provincial public entity, and in keeping with the requirements of the PMFA, WESGRO publishes an Annual Report, which provides more detailed information on its functions and performance.

Sub-programme 3.1: Tourism Development

Key achievements in Tourism Development in the 2004/05 financial year include:

- The successful launch, support to and operation of Cape Town Routes Unlimited (CTRU), which is the Destination Marketing Organisation established to market the region.
- The implementation of an extensive tourism enterprise development programme including the launch of the Integrated Tourism Entrepreneurship Support programme (ITESP).
- Progress in six of the development nodes as envisaged in the Integrated Tourism Development Framework (ITDF).
- The implementation of 17 tourism community development projects in all the district municipalities of the Province.

Sub-programme 3.2: Tourism Regulation

Key achievements in Tourism Regulation in the 2004/05 financial year include:

- The successful training, mentoring and qualification of 22 HDI learners as cultural site tourist guides through a tourist guide training programme with the Cape Peninsula University of Technology (formerly Cape Technikon).
- Support to a successful Tourist Guide Conference, entitled "Partners in Transformation".
- Support in the launch of the National Federation of Tourist Guide Associations of South Africa (NFTGSA) and a concurrent initiative to launch a Western Cape Federation of Tourist Guides.
- The launch of a first-ever Foreign Language Training Course, with a French language Training Programme for HDI tourist guides in the Western Cape, in collaboration with the Department of Environmental Affairs and Tourism (DEAT) and Alliance Française.
- Celebration of International Tourist Guides Day on 21 February 2005.
- Implementation of the Tourism Victim Support Programme (Tourists in Distress campaign).
- Facilitation and management of the Regional Tourism Liaison

Committees (RTLCs) for the implementation of the Provincial Tourism Road Signage Framework.

Sub-programme 3.3: Cape Town Routes Unlimited

In the 2004/05 financial year the Department, together with the City of Cape Town, was instrumental in establishing a Destination Marketing Organisation (DMO) for Cape Town and the Western Cape as envisaged in the Western Cape Tourism Act of 2004 (Act No. 1 of 2004). A statutory structure, this organisation – trading as Cape Town Routes Unlimited (CTRU) – brought together all the tourism marketing efforts in the region. To date the organisation has been successfully established and we have already seen a growth in visitor numbers and expenditure to the region.

CTRU has a full legislative mandate to market the destination.

In so doing they are striving to: establish a winning brand; ensure an inclusive and equitable industry; maximise marketing impact and resources; and improve the business vs. leisure tourism ratio.

Core messages which are being driven in this process are marketing the destination as:

- a world-class, year-round destination;
- safe, secure and welcoming;
- a "Home for All";
- a value for money destination; and
- *an area of experience* rather than products.

Key achievements of CTRU in the 2004/05 financial year include:

In the area of Leisure Marketing:

Attending the World Travel Market where over 300 enquiries were managed, presenting Cape Town and the Western Cape to over 300 UK Travel Agents; securing German promotion for direct Frankfurt – Cape Town flights; and supporting the domestic marketing Sho't Left national campaign. CTRU also developed a regional image bank in preparation for the mounting of the largest ever print and electronic destination marketing campaign in the region.

In the area of business tourism and events:

Attendance at EIBTMA, a premier international event dedicated to the global meetings and incentive industry. This event attracted 5 000 industry buyers and 2 000 exhibitors from over 100 countries. CTRU met with over 30 hosted buyers. The potential economic impact based on successful conversion is R72,957 million.

CTRU also secured meetings and conferences (most internationally sourced) with a total economic impact of R20,925 million.

CTRU also co-hosted and sponsored large major events such as the Cape Town Jazz Festival, Aqua Opera and the Grand Masters Tennis Tournament.

As a provincial public entity, and in keeping with the requirements of the PMFA, CTRU publishes an Annual Report, which provides more detailed information on its functions and performance

Programme 4 iKapa eliHlumayo

The delivery of a Micro-economic Development Strategy (MEDS) Preliminary Synthesis report outlining interventions in 6 sectors and 2 themes, set the impetus for further research into 8 additional sectors and 2 cross-cutting themes. The MEDS Preliminary Synthesis report further generated a high level of interaction amongst other provincial departments. For example, the Province is currently in the process of synthesising the lead provincial strategies. It further influenced the allocation of an increased budget to economic development, in order to achieve significant growth in key sectors; to create employment; and to reduce poverty.

2.4 Strategic overview and key policy developments for the 2004/05 financial year

Programme 2: Enterprise Development

Sub-programme 2.1: Business Regulation

The White Paper on Liquor Licensing was adopted as provincial policy on 16 March 2005 and will serve as the basis for the development of provincial liquor legislation. The first draft of the legislation has been completed and distributed within the Provincial Government for comment.

Progress has been made with the completion of draft Consumer Regulations that will enable the provision of the Consumer Affairs (Unfair Business Practices) Act (Act No 10 of 2003) to be put into effect. This will allow for the office of the Consumer Protector to be more effective in dealing with consumer complaints.

Sub-programme 2.2: Industry Development

The key policy changes that impact on the sectoral units will be the Micro-economic Development Strategy (MEDS), and the Provincial Advanced Manufacturing and Technology Strategy (PAMTS) that is being driven by the CSIR. Both these processes are currently underway, and will be finalised in the 2005/06 year. These strategies will have major implications for the sectoral units in terms of identifying projects and priorities for each sector. They will also define a mode of intervention that will guide all future sector and theme interventions.

Sub-programme 2.3: Economic Development Co-ordination

The establishment of the Small Enterprise Development Agency (SEDA) by the **dti** provided a new national direction for the development of small business. This resulted in the collapsing of

Premier Ebrahim Rasool, centre, with the project team of the Provincial Manufacturing Strategy at the PAMTS launch in Cape Town, October 2004.



Provincial Advanced Manufacturing Technology Strategy (PAMTS)

The Provincial Advanced Manufacturing Technology Strategy (PAMTS) was officially launched by Premier Ebrahim Rasool and MEC Lynne Brown in Cape Town last October 2004, to complement the national Department of Science and Technology's Advanced Manufacturing and Logistics Technology Strategy (AMTS). The Director General of the Department of Science and Technology, Dr Rob Adam delivered the keynote address.

The Province has embraced the development of provincial technology strategies that take into account the dynamics of each provincial economy as one important way in which the Western Cape's economy can be supported. The PAMTS aims to support five key growth sectors through high impact integrated innovation-led strategies that promote manufacturing sector growth, employment creation and wealth generation. The provincial sectors targeted are electronics, clothing & textiles, food, metals & engineering and craft.

This is in line with the national government's commitment to micro-economic reform and to improving South Africa's competitive capabilities. Both the Department of Trade and Industry's Integrated Manufacturing Strategy and the Department of Science and Technology's National Research and Development Strategy form a powerful base on which to build a more solid manufacturing sector in South Africa.

One of the focal areas of the AMTS is that of supporting provincial manufacturing sectors with advanced technologies. Other focal areas include advancement of manufacturing SMEs and the need to facilitate manufacturing-relevant human resource development.

In all three focal areas the Western Cape presents significant challenges and opportunity. The Province has a diverse manufacturing sector comprising a high percentage of SMEs with a definite need to increase the skills levels of its workforce. The Department's Micro-economic Development Strategy (MEDS) will complement the PAMTS in that key government interventions will strengthen and extend innovation in the manufacturing sectors.

Ntsika and NAMAC into SEDA and signalled a more provincial (and local) approach to small business development. These developments coincided with the passing of the Small Business Amendment Act of 2004, which clearly outlines the roles and responsibilities of SEDA. The establishment of the Department's RED Door offices was well aligned to the new policy shift.

The draft National LED policy aimed at providing guidelines on a framework on which all spheres of government and relevant stakeholders can collaborate their efforts and resources to promote local economic development. This policy has not yet been approved by Cabinet and therefore impacts on the directive taken by the Local Economic Development unit in assisting municipalities with their economic development responsibilities.

The Municipal Finance Management Act (MFMA) provides guidelines to municipalities on good financial management and control measures in order to maximise delivery through efficient and effective use of limited resources. It affects the "municipal management and accountability on the financial transfer transactions" that the Department has with the municipalities. Legislatively, the MFMA requires strict accountability of the funds received by the municipalities from Provincial Government. Therefore, the Local Economic Development unit specifically plays a direct role in monitoring the efficient and effective use of the funds already transferred to the municipalities.

Programme 3 Tourism

Sub-programme 3.1: Tourism Development

The ITDF has been widely accepted as a planning tool by many municipalities in the Province and is being incorporated into the IDPs of the regions. Further planning work on three of the 11 areas identified for tourism development have already been completed. Planning for a further four areas will be conducted in the 2005/06 fiscal year. Significant progress has been made to implement community projects within the ITDF areas. In the coming period the focus will be on implementing responsible and sustainable tourism

indicators, and implementing a strategy for social tourism.

Policy development in the areas of BEE, HRD, Safety and Security, Road Signage and the publication of legislation governing the establishment of CTRU have been completed in the 2004/05 fiscal year. CTRU will develop marketing strategies to increase tourism traffic to the region and will be monitored via a service level agreement with the Department of Economic Development and Tourism.

Significant progress has been made in tourism enterprise development and a number of support initiatives including: the Cape Tourism Showcase; Tourism Enterprise Training Workshops; the development of an ITESP programme; and the roll-out of a mentorship programme have been implemented. These programmes are linked to the Department's RED Door Initiative and will be further expanded in the 2005/06 financial year.

Human Resource Development remains an important part of the Department's commitment to develop the sector and progress on detailing the situation on the ground was made in the 2004/05 financial year. The key focus for 2005/06 will be on implementing recommendations arising from the situational analysis.

Sub-programme 3.2: Tourism Regulation

To a large extent the regulatory function of tourism is a national mandate, although the Western Cape once again has taken a lead role with regard to the following aspects: Safety and Security, Tourism Road Signage and Tourist Guide Registration. For example, the Safety and Security Framework and the Tourism Road Signage Framework provide well-defined strategic directions for the Western Cape. In addition, Tourist Guide Registration – which is more operationally orientated – has set the trend for other provinces to follow.

Tourism Community Development - Integrated Tourism Entrepreneurship Support Programme (ITESP)

ITESP represents a partnership between CTRU, the Department of Economic Development and Tourism (DEDT) and the Development Bank of Southern Africa (DBSA). ITESP is intrinsically linked to the outcomes of the iKapa eliHlumayo lead strategy, as it will contribute to economic growth, reduce unemployment, increase the demographic spread of ownership in the tourism industry and promote participation in the broader economy.

The main aim of ITESP is to provide integrated support to tourism small and medium enterprises (SMEs), including access to capital, skills and markets. The programme will link SMEs with mainstream tourism business and financial institutions.

The programme can be accessed through:

- Accredited agents who will submit applications on a case by case basis.
- The Department's mentorship programme.
- Referrals from the Real Enterprise Development (RED) Door advisors.

Tourism Community Development - International Shows and Tourism Workshops

The Department, together with CTRU, offers opportunities to attend international tourism shows and trade workshops on a subsidised basis to SMMEs that have participated in the mentorship programme and have successfully participated in the Cape Tourism Showcase and Indaba. SMMEs must be able to demonstrate that their products/services target the market relevant to the trade shows or workshop in order to be considered for participation in the specified International Trade Show or Workshop.

Through ETEYA (Entrepreneur of the Year Award), an initiative of SA Tourism, the finalists in each of the provinces are sent to the WTM (World Travel Market) in London. The Tourism Business Forum forms the panel that decides which businesses to nominate from the Western Cape.



Pierre Pienaar of the Logical Golf Academy (middle) demonstrates some golfing shots to a group of historically disadvantaged individuals breaking into the leisure tourism industry.

CTRU – Economic Empowerment

Small, micro and medium enterprises (SMMEs), among them the historically disadvantaged, are an economic development sector that Cape Town Routes Unlimited (CTRU) has aligned itself with in order for more of these enterprises to gain market access in the tourism industry. SMMEs receive step-by-step guidance in order to be successful and sustainable in line with CTRU's mandate to market Cape Town and the Western Cape locally and internationally as a preferred leisure tourism, conventions and events destination.

CTRU also arranges for SMMEs to participate in domestic and international travel, trade and tourism shows. These trade shows are a major component of the mentoring and development of SMMEs as experiences gained here can be translated into longer-term success of local business ventures.

Programme 4: iKapa eliHlumayo

At present the Department's intervention strategies into the economy of the Western Cape do not have the benefit of a comprehensive, detailed and widely agreed upon Micro-economic Development Strategy (MEDS) that will inform its actions, even though current interventions are already aligned with the broad principles of iKapa eliHlumayo and the Provincial Growth and Development Summit's Framework Agreement.

The Micro-economic Development Strategy will define and prioritise those targeted interventions that would have the maximum impact per Rand spend to place the Province on a sustainable growth path in order to address equity and the need to create sufficient and sustainable jobs.

The MEDS research process set out to complete the research of the following 6 sectors and 2 themes during the 1st phase (completed in December 2004):

- Agriculture
- Fishing and Aquaculture
- Clothing and Textiles
- Metals and Engineering
- Information and Communications Technologies (ICT)
- Tourism
- SMMEs
- HRD

Based on the findings of this research, a Preliminary Synthesis Report, which includes key interventions recommended for each sector and theme, was completed in January 2005.

The programme further set out to commence the 2nd phase of the MEDS process in January 2005. The following additional 8 sectors and 2 themes will be researched:

- Oil and Gas
- Call Centres/BPOs
- Biotechnology
- Electronics
- Financial Services
- Craft
- Film
- Cultural Industries, Arts and Creative Arts
- Transport
- Energy

The 1st and 2nd phase combined will culminate in a comprehensive policy recommendations strategy document, which will provide prioritised key interventions in the sectors and themes researched. This process is currently on track. A detailed project plan of key deliverables and submission dates has thus far guided the MEDS research process.

2.5 Departmental revenue, expenditure and transfer payments

2.5.1 Collection of departmental revenue

The issuing of annual renewal notices has been improved over the last number of financial years by ensuring that the liquor licence database accurately reflects the valid licenses issued for a particular period.

The liquor licence system has been further adapted to ensure that applications and transactions may not be processed until all outstanding fees due for a particular licence have been fully paid. The system has been updated to allow for the determination of

outstanding fees. This notification is used to ensure that enforcement and compliance mechanisms are in place.

It should be noted that although licence revenue has increased substantially by 10.5%, licences issued during the reporting period have only increased by 1 200. This is primarily due to the improved mechanism put in place by the respective division responsible for collections. These measures include the improved working relationship with the South African Revenue Services (the collecting agency for the Department), and the improved reconciliation techniques utilised by the Department to verify liquor licence revenue.

Collection of Departmental Revenue	2001/02 Actual	2002/03 Actual	2003/04 Actual	2004/05 Budget	2004/05 Actual	% deviation from target
	R' 000	R' 000	R' 000	R' 000	R' 000	%
Tax revenue	3,299	3,388	3,681	3,420	3,779	10.5%
Liquor Licences	3,299	3,388	3,681	3,420	3,779	10.5%
Non-tax revenue	472	312	359	260	298	14.6%
Sales of goods and services other than capital assets	472	312	359	260	298	14.6%
Sales of capital assets (Capital Revenue)	0	0	0	0	15	100%
Sale/Cp/Ass: Office Equipment	0	0	0	0	15	100%
Financial transactions (Recovery of loans and advances)	0	0	0	0	1,844	100%
TOTAL DEPARTMENTAL RECEIPTS	3,771	3,700	4,040	3,680	5,936	61.3%

2.5.2 Departmental expenditure

Programmes	Voted for 2004/05	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
	R' 000	R' 000	R' 000	R' 000	R' 000	%
1. Administration	11,297	(2,382)	1,883	10,798	10,774	0.002%
2. Enterprise Development	71,305	10,490	(836)	80,959	80,916	0.0005%
3. Tourism	31,301	100	(751)	30,650	30,633	0.0005%
4. iKapa eliHlumayo	4,425	0	(296)	4,129	4,116	0.003%
TOTAL	118,328	8,208	0	126,536	126,439	0.0007%

2.5.3 Transfer payments

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Library Business Corners (LBC)	200,000			200,000	200,000	<p>LBC is a Section 21 company established in 2000. The City of Cape Town and the Department are founding members and form part of the board of directors. The aim of the project is to address the information gap that exists in local communities by having small business information corners in municipal libraries in urban and rural communities. Presently, 31 LBCs are operational across the Province.</p> <p>Funds transferred as follows:</p> <ul style="list-style-type: none"> • R200,000 first tranche payment • R100,000 second tranche payment <p>Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; quarterly site visits; and a seat on the board of directors.</p>
	100,000			100,000	100,000	
Open for Business	1,200,000			1,200,000	1,200,000	<p>Open for Business, now re-named The Business Place, is a 'one-stop-shop' business centre providing professional advice and referrals to potential and existing SMMEs. The Business Place is a collaborative project between the City of Cape Town, Sekunjalo Investments Ltd and the Department. Funding was transferred for the purposes of maintaining operations and programme delivery related to SMME support. To date over 1 600 entrepreneurs have been helped, which exceeded the initial target of 400 within the first 6 months. 2 – 3 outreach programmes are held on a monthly basis. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; quarterly site visits; and a seat on the board of directors.</p>

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CAPEMAC	1,600,000			1,600,000	1,600,000	CAPEMAC is a Section 21 company established under the auspices of the National Manufacturing Advice Centre. CAPEMAC offers support and advice related to manufacturing for SMMEs in the Western Cape. Due to hugely successful operations at the Cape Town office, the Department funded the establishment of a satellite office in the George area. Targets were again exceeded. 162 SMMEs were assisted during this period in the Cape Town office, and 61 SMMEs were assisted in the George area. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; quarterly site visits; and a seat on the board of directors.
University of Stellenbosch	200,000			200,000	200,000	The Department funded a business skills training programme for disabled entrepreneurs. Five business skills programmes were offered over the course of the year, where a total of 82 workshop managers and the entrepreneurs received training. An additional 3 workshops were held due to the demand of the project. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CASIDRA			11,700,00	11,700,000	11,700,000	Payments transferred to CASIDRA were used for 2 specific and unique projects: 1. iKapa/ABSA entrepreneurial fund, which gives loan finance to 'unbankable' SMMEs. 2. The RED Door – where CASIDRA was appointed as the implementing agent. The RED Door offices serve as 'one-stop' business advice and support centres. Through CASIDRA, 151 entities received finance and mentorship. Both of these projects are pilots in South Africa and are currently faring exceptionally well. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; quarterly site visits; and bi-weekly meetings with the CASIDRA management team.
South Cape Business Centre	100,000			100,000	100,000	South Cape Business Centre offers business development services for SMMEs in the South Cape region. The amount of R100,000 was rolled-over from the 2003/04 financial year. Funds were transferred as follows: • R100,000 first tranche payment. • R10,000 second tranche payment. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.
	10,000			10,000	10,000	

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Cape Winelands District Municipality		200,000		200,000	144,414	Establishment of a dedicated unit, within the Cape Winelands District Municipality, responsible for addressing local economic development in the region. The outstanding balance will be used to roll-out the business support programme to the various B-municipalities in the region. This is part of the Municipalities' LED Strategy. Progress was monitored as follows: financial and project progress reports; and site visits.
Central Karoo District Municipality		200,000		200,000	120,000	Establishment of a dedicated unit, within the Central Karoo District Municipality, responsible for addressing local economic development in the region. The outstanding balance will be utilised to develop the Municipalities' LED Strategy for the region and will be completed at the end of August 2005. Progress was monitored as follows: financial and project progress reports; and site visits.
Eden District Municipality		200,000		200,000	26,000	Establishment of a dedicated unit, within the Eden District Municipality, responsible for addressing the need for local economic development in the region. Funds for the last transfer payment were not utilised, as the tender for the baseline study was withdrawn in November 2004. An entrepreneur's seminar was held in June 2003 and was financed from the 2003/04 financial year transfer payment. Training of the LED officials and the commencement of the economic baseline study has been re-scheduled for June 2005 and will be funded from the EDU funding allocation. Progress was monitored as follows: financial and project progress reports; and site visits' to monitor delays.

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Overberg District Municipality		200,000		200,000	141,039	Establishment of a dedicated unit, within the Overberg District Municipality, to be responsible for addressing the need for local economic development in the region. The economic profile study on the District and B-municipalities was completed in December 2004. A final report is expected in April 2005. Compilation of Swellendam, and Cape Agulhas LED strategies and alignment of the Overberg district LED Strategy with B-municipal and provincial government programmes is planned for 2005/06. Progress was monitored as follows: financial and project progress reports; and site visits.
West Coast District Municipality		200,000		200,000	65,000	Establishment of a dedicated unit, within the West Coast District Municipality, to be responsible for addressing the need for local economic development in the region. A project manager post for the EDU has been advertised and is in the process of being filled. A further staff supplement will be added from the Community Development Work Officials and from the Learners on the Community Development learnership programme of the Municipality. There are existing projects that have been identified through the support of the EDU. A LED Strategy for the district exists and would be an integral part of the unit's programmes. Progress was monitored as follows: financial and project progress reports; and site visits.

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
West Coast District Municipality (Bitterfontein)		100,000		100,000	100,000	Bitterfontein is a medical herb community job creation project in Bitterfontein/Nuwerus that is co-funded by the Department. Funding was utilised for the test phase of production and marketing of medicinal herbs and plants for export. Progress was monitored as follows: financial and project progress reports; and site visits.
Council For Scientific and Industrial Research (CSIR)			5,000,000	5,000,000	3,280,000	The iKapa Agri-business Fund project, managed by CSIR, intends to identify a number of agri-processing projects, which through a development model, aims to establish new and economically viable agri-business ventures for the benefit of the previously disadvantaged. Seven pilot projects were selected. To date funding spend amounts to R3,280,000. Progress was monitored as follows: monthly financial and project progress reports.
Western Cape Trade and Investment Promotion Agency (WESGRO) – Export and Development Programme			200,000	200,000	200,000	WESGRO is mandated to manage trade and to promote investment. This programme is responsible for supporting emerging exporters. WESGRO reports on a quarterly basis through the WESGRO Board, on which the Department is represented.

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
WESGRO			6,000,000	6,000,000	6,000,000	Funds were transferred to WESGRO as part of the annual allocation to the Public Entity. Funds were utilised for the day-to-day operational requirements, which include compensation of employees. Progress was monitored as follows: Memorandum of Agreements; quarterly reports; and representation on WESGRO Board.
WESGRO (Film Studio)			15,000,000	15,000,000		Funds were transferred to WESGRO to manage the Province's contribution to the construction of the Dreamworld Film Studio. The delay in the utilisation of the funds was due to a delay in the completion of a due diligence report. This report is a prerequisite to an agreement being signed between the Department, WESGRO and the Dreamworld consortium; and to any funds being transferred. Progress was monitored as follows: Memorandum of Agreements; quarterly reports; and representation on WESGRO Board.
WESGRO (Novel)			10,000,000	10,000,000	10,000,000	The funding was transferred to WESGRO for the interim purchase of Novel Garments SA (including all the assets, buildings and machinery). There are currently 85 people employed at the factory. The monitoring is currently conducted by WESGRO.
CSIR (Mbekweni-Paarl Job Creation Project)			250,000	250,000	250,000	These are two Sewing Projects employing 15 women each. The Projects manufacture clothing for Genuine Connection, a factory in Paarl on a Cut, Make & Trim basis. This gives both the projects the required sustainability. CSIR is the implementing agent and is responsible for submitting regular reports (both descriptive and financial).
CSIR (Rawsonville Job Creation Project)			150,000	150,000	150,000	

Programme 2: Enterprise Development						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CSIR (Afrique du Sud Job Creation Project)			150,000	150,000	150,000	CSIR is the implementing agent and is responsible for submitting regular reports (both descriptive and financial).
Cape Film and TV Initiative	400,000			400,000	400,000	The Cape Film and TV Initiative runs an annual film market and film festival, known as Sithengi, which profiles local players. Full financials have been received from the event managers.
Business Beat	90,000			90,000	90,000	Business Beat was supported to implement a business plan competition, which runs over 6 months. Twelve successful applicants were selected and given R1,000 to start a business. The applicants are provided with mentors over a 6-month period. The youngest successful applicant is a grade 8 learner who has managed to turn R1,000 into a business, with a monthly turnover of R4,500. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.
Enterprise Development Sub-total	3,900,000	1,100,000	48,450,000	53,450,000	36,226,453	

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
City of Cape Town		200,000		200,000	200,000	This initiative forms part of the Integrated Tourism Development Framework and is a joint initiative between the Department and the City of Cape Town. The Department's contribution was utilised for the erection of a memorial site in Khayelitsha to promote post-apartheid reconciliation by giving recognition to those who fought in the liberation struggle. The initiative is ongoing and the Department serves on the task team. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.
South African National Parks (SANPARKS)	250,000			250,000	250,000	Funding was utilised for the establishment of a project implementation plan and for the southern most point of Africa Lighthouse precinct planning. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.
Cape Craft and Design Institute (CCDI)	250,000			250,000	250,000	Financial contribution for the sustainability of the organisation to provide assistance to the craft industry throughout the Western Cape. The CCDI is a strategic partner in providing support to communities with regard to product development, access to markets, capacity building and training. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
SATSA	270,000			270,000	270,000	These funds were utilised by SATSA, together with the appointed Project Manager, Anix Trading, and the Steering Committee to implement the 2004 Tourism Mentorship Programme. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; quarterly site visits; and a seat on the board of directors.
CPUT (Tourism Bursary Fund)	100,000			100,000	100,000	In February 2002, the Department in partnership with CPUT established a Tourism Bursary Fund. Four full-time bursaries were awarded to historically disadvantaged students studying tourism and food and beverage management. The pilot project ended in the 2004/05 financial year and all four students graduated and obtained their National Diplomas. All four students are currently employed in the tourism industry. Based on the success of the bursary fund, the Department has committed to continue supporting the programme. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CPUT (Tourism Business Conference)	50,000			50,000	50,000	<p>The event had two major objectives. Firstly, to create a platform for tourism learners to interact and network directly with individuals representing the tourism industry. Secondly, by hosting this event 34 Event Management students were provided with an opportunity to co-ordinate the conference. The students' involvement informed part of their practical training and each student was assessed and evaluated. An estimated 250 delegates attended the event. Benefits to the Department for participating in this event included: demonstrating a commitment to training and education in the tourism industry; reputation enhancement for being community orientated and socially responsible; investing in the future of tourism leaders access to quality tourism training and education; and heightened visibility through media coverage.</p> <p>Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.</p>

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Municipalities (Cape Winelands)		250,000		250,000	250,000	<p>**These funds have been utilised for the implementation of the Tourism Business Training Programme.</p> <p>As part of the Tiered Support System, training has been provided at each of the four levels of tourism business development, reaching approximately 500 individuals of which 150 of these individuals already have tourism businesses that they would like to see more profitable. The following types of training have been provided:</p> <ul style="list-style-type: none"> For those considering entering the Tourism Industry there is the one day Tourism Awareness Session. At least four awareness sessions were held in each of the six regions annually. (Approximately 480 entrepreneurs attended the awareness programme.) For those starting their tourism business, there is the one-day Beginners' Session. At least two awareness sessions were held in each of the six regions annually. (Approximately 300 entrepreneurs attended this beginner's programme.) For survivalist businesses, struggling to make a profit there is the 6-month (8 session) Intermediate Training Programme. An Intermediate Training Programme, comprising of eight sessions, over six months was held in each of the six regions. (104 entrepreneurs were part of the Intermediate programme.) For established businesses, trying to break into the mainstream, there is the 6-month (8 session) Advanced Training Programme. Due to the limited number of entrepreneurs at the established level during 2004, two programmes were run for all entrepreneurs in the Province during this period. (Approximately 39 entrepreneurs are part of this programme.) <p>Progress was monitored as follows: Service Level Agreement with the service provider; Memorandum of Agreement signed with the Municipality; monthly meetings; and site visits.</p>
Municipalities (Central Karoo)		300,000		300,000	60,000	Please refer to ** above

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Municipalities (Eden)		180,000		180,000	80,000	Please refer to ** previous page.
Municipalities (Overberg)		180,000		180,000	80,000	Please refer to ** previous page.
West Coast Business Development	100,000			100,000	100,000	Please refer to ** previous page.
CTRU (Entrepreneurship Programme)			140,000	140,000	140,000	Please refer to ** previous page.
Municipalities (West Coast)	100,000	100,000		100,000	100,000	The ITDF identifies three provincial Gateways into the Province. One of the Gateways is the Cederberg Gateway, which will be situated in van Rhynsdorp. DEAT appointed Liebenberg & Stander to develop a feasibility study and business plan for the project. The project has been short-listed by DEAT to receive R1,2 million for infrastructure development. The Department, together with the West Coast District Municipality, appointed Liebenberg & Stander to develop a development plan, which has since been completed. The project is fully supported by Cape Town Routes Unlimited, the West Coast Regional Tourism Organisation and Matzikama Municipality. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.
South Cape Business Centre				100,000	100,000	These funds were rolled over from the previous financial year and were utilised for the implementation of the Tourism Business Training Programme. Progress was monitored as follows: Service Level Agreement with the service provider; Memorandum signed with South Cape Business Centre; and quarterly site visits.

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CTRU (Tourism Showcase)			130,000	130,000	130,000	The Cape Tourism Showcase was successfully held for the third time in 2004, with 114 businesses able to gain market access. Progress was monitored as follows: Service Level Agreement with the service provider; Memorandum of Agreement with CTRU; and visits by the Department's staff.
CTRU (Schools' Competition)			100,000	100,000	100,000	The Department, in partnership with CTRU and the Airports Company South Africa, officially launched the fourth annual schools' competition in the Province. The main aim of the competition is to create tourism awareness and to promote a tourism culture amongst learners. This year's competition requires learners to produce a work of art promoting their town or region as a destination. The closing date for the competition is 20 May 2005. Progress was monitored as follows: Memorandum of Agreement; site visits; quarterly reports; and financial information.
Municipalities (West Coast)		20,000		20,000	20,000	Funding to the amount of R20,000 was transferred to the West Coast District Municipality for the design and erection of Tourism Road Signage. This coincides with the development of the Gateway in van Rhynsdorp. Signage is required for both the N7 and R27. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Municipalities (Cape Winelands Municipality)		20,000		20,000	20,000	Funding to the amount of R20,000 was transferred to the Cape Winelands District Municipality for the upgrade and erection of Tourism Road Signage at the Kogmanskloof Rest Area near Montagu and surrounding areas as part of the Route 62 development. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.
Municipalities (Central Karoo)		60,000		60,000	60,000	Funding to the amount of R60,000 was transferred to the Central Karoo District Municipality for the drafting of a policy document and guidelines by Consulting Engineers to regulate the erection of Tourism Road Signage in Beaufort West. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.
Municipalities (Overberg)		100,000		100,000	100,000	Funding was transferred to the Overberg District Municipality for the relocation of the Napier Tourism Information office. The initiative is fully supported by the Overberg Regional Tourism office and the Agulhas Municipality. Funding was also utilised for the appointment of consulting engineers to assist with the drafting of guidelines on the development and implementation of 3 tourist routes in the Overberg. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Airports Company South Africa	80,000			80,000	80,000	The Airports Company South Africa hosted the second International Airline Destination Conference at the CTICC in September 2004. The purpose of the conference was to create a platform for industry stakeholders to debate challenges facing the Southern African Region. About 300 delegates from different international airlines attended this conference. Progress was monitored as follows: senior management attended the conference; and a report documenting the outcomes was received.
Cape Africa Platform	100,000			100,000	100,000	The Cape Africa Platform is a Section 21 Company that aims to provide a platform for contemporary African culture and to promote greater cultural cohesion within the Western Cape, South Africa and the rest of the continent. Funding was utilised for the development of a business plan and marketing strategy; to host a cultural development workshop; and to conduct a cultural mapping exercise. Progress was monitored as follows: Memorandum of Agreement; and report received.
	150,000			150,000	150,000	

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CPUT	200,000			200,000	200,000	R200,000 was transferred to CPUT for the training and mentoring of 22 HDI tourist guides. The tourist guides were sourced from all the districts of the Province and were accommodated in Cape Town for the duration of the training period. Progress was monitored as follows; Memorandum of Agreement; site visits; quarterly reports; meetings; and financial information was provided.
Breedekloof Wine and Tourism (Bursary Fund)	90,000			90,000	90,000	The Department, in partnership with Breedekloof Wine and Tourism, the Winelands District Municipality and the University of Stellenbosch, established a Wine Technology Bursary Fund for historically disadvantaged students. The main objective of the scheme is to promote access to the wine and wine-tourism fields of study for undergraduate students. Five full-time bursaries were awarded to students who were financially challenged, but had excellent academic results. Progress was monitored as follows: Memorandum of Agreement; and reports.

Programme 3: Tourism						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
CTRU (Access to the Cape)			130,000	130,000	130,000	Access to the Cape is a provincial campaign aimed at creating opportunities for marginalised communities to explore and experience tourism attractions and products in the Western Cape. Launched in September 2004 during Tourism Month, the programme benefited and enriched the lives of more than 2 300 historically disadvantaged individuals. The target groups for this initiative included youth, schools, people with disabilities and shelters for abused and neglected children. This initiative was made possible through a strategic partnership between the Department, CTRU, and a host of private sector partners.
CTRU			20,032,000	20,032,000	20,032,000	The Western Cape Tourism Act, (Act 1/2004), makes provision for the establishment of the Destination Marketing Organisation now trading as Cape Town Routes Unlimited. In accordance with the Act, CTRU has signed a Memorandum of Agreement, which allowed the Department to provide funding to CTRU in four tranches, subject to an approved business plan. The Department has successfully managed the administration and payment of the four tranches in accordance with the Memorandum of Agreement and the PFMA. Progress was monitored as follows: Monthly meetings with the CEO; quarterly reports received; annual report received; and a seat on the board
Tourism Sub-total	1,640,000	1,510,000	20,532,000	23,682,000	23,242,000	

Programme 4: iKapa eliHlumayo						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
iKapa eliHlumayo (SALRI)	600,000			600,000	600,000	SALRI is responsible for implementing the Cape Town Fashion Festival. It is an annual event in which the Department plays an active role. Full financials have been received from the organisers.
Tooling Association of SA	200,000			200,000	The full amount has been transferred, with 180,000 utilised to date.	TASA is the main body promoting the tooling industry in the region. TASA provided quarterly reviews of progress made on the project.
WESGRO			500,000	500,000	500,000	Funds were shifted from Goods and Services to fund an Investment Programme, run in conjunction with WESGRO, to assist in the creation of 300 jobs directly and approximately 250 jobs indirectly over a five-year period. Progress was monitored as follows: Memorandum of Agreement; progress reports; and reporting through the WESGRO board meetings.
Cape Film Commission Development Fund	250,000			250,000	250,000	The fund was established to assist emerging film-makers and support industries with training and development. Progress was monitored as follows: Signed Memorandum of Agreement with the Film Commission; attendance at monthly meetings; and a seat on the board of directors.
National SMME Fishing Forum	200,000			200,000	200,000	An amount of R200,000 was transferred to the National SMME Fishing Forum to assist the organisation in providing training, skills development and capacity building projects to the previously disadvantaged fishers and communities trading in the fishing industry. Progress was monitored as follows: Memorandum of Agreement; quarterly reports; and financial statements provided by the organisation.

Programme 4: iKapa eliHlumayo						
Beneficiary	Non-Profit Institution	Municipalities	Public Entities	Amount Transferred	Estimate Expenditure	Monitoring Mechanism
Cape Town Peace Plan	178,000			178,000	178,000	Cape Town Peace Plan is a community project, which places unskilled or low-skilled youth from the Manenberg and Gugulethu areas in jobs for a period of 3-months or more. A target has been set for the placement of 500 persons. Progress was monitored as follows: Memorandum of Agreement; monthly progress reports; and quarterly site visits.
Cape Craft and Design Institute (CCDI)	180,000			180,000	180,000	CODY was requested by the Department to manage a craft mission to Scotland and the UK, which was successfully managed. Full reports have been received.
iKapa eliHlumayo Sub-total	1,608,000		500,000	2,108,000	2,088,000	
Transfer Payments TOTAL	7,148,000	2,610,000	69,482,000	79,240,000	61,556,453	

2.6 Capital investment, maintenance and asset management plan

Asset Management

In acquiring moveable assets, the following is taken into consideration: the usefulness or economic life span; the achievement of departmental objectives, and alternative measures of achieving the departmental objectives.

At the end of the 2003/04 financial year, the Department had the following assets:

Furniture and office equipment	R411,000
Computer equipment	R1,260,000
Other machinery and equipment	R16,000
Transport	R1,008,000

During the 2004/05 financial year the following additions were made:

Furniture and office equipment	R265,000
Computer equipment	R706,000
Transport	R529,000

An amount of approximately R15,000 was generated with the disposing of computer equipment, furniture and office equipment.

Measures were taken to ensure that the Department's asset register remained up-to-date during the period under review.

The assets' records are updated on a daily basis; taking into consideration all relevant factors.

The condition of the Department's capital stock:

50 %	good condition
40 %	fair condition
10 %	bad condition

Major maintenance projects that have been undertaken during the period under review

Major maintenance projects have not been undertaken during the period under review. Assets are maintained according to the manufacturer's service book and as required.

Facilities that were closed down or down-graded during the period under review

The Branch: Knowledge Economy & E-Government was transferred to the Provincial Government Western Cape (Department of the Premier).

The Ministry of Tourism was amalgamated with the Ministry of Finance and Economic Development. The assets of the Ministry of Tourism, valued at R1,308,000, were transferred to the Provincial Treasury, Department of the Premier and the Office of the Director General.

Projects that will be carried forward to the following financial year

A service provider, Logistics Technologies, has been appointed to assist the Department with the bar-coding of the assets and updating of the assets register according to generally accepted accounting practices and Treasury instructions.

New projects that will commence in the forthcoming financial year

Assets will be purchased for the Department due to the restructuring of the Department, and when an asset reaches the end of its lifespan or when an asset is unserviceable.

Process in place for the tendering of projects

The tendering of projects is dealt with in accordance with the relevant legislation, Treasury Practice notes and Accounting Officer's System for Supply Chain Management. A Departmental Bid Committee (DBC) has been appointed to check and recommend bids to the Accounting Officer for approval. An Evaluation Bid Panel/Committee evaluates and adjudicates bids, and then submits the bids to the Accounting Officer via the Departmental Bid Committee.

2.7 Programmes

Programme 1: Administration

Purpose

The aim of Programme 1: Administration is to conduct the overall management and administrative support of the Ministry, the Department and the respective main divisions within the Department.

Service delivery environment

Sub-programme 1.2: Corporate Services

As a corporate support function, Corporate Services provides an essential service for the achievement of the Department's strategic deliverables and includes the provision of in-house services for the financial and human resource management of the Department in its entirety. In addition, the following components provide support to the Office of the Head of Department, and to the Department as a whole in the following areas: Communications and Corporate Image Management and Research Support and Impact Evaluation.

Corporate Services has the following units:

- Financial Management
- Human Resource Management and Support Services

The **Financial Management** unit includes the following components:

- The Management Accounting component administers all aspects of budget management, and revenue and expenditure control.
- The Internal Control component manages all aspects of Risk Management, and the formulation of financial policy and controls.
- The Supply Chain Management component is responsible for the purchase and safeguarding of all assets, and procurement (including the tender processes).
- The Departmental Accounting Services' component renders payments to service providers, and provides an accounting function to the Department.

The **Human Resource Management and Support Services** unit includes the following components:

- The Personnel Management component is responsible for employment and service conditions administration.
- The Labour Relations and Transformation component manages labour relations matters and relations between the Department and the workforce.
- The Human Resource Development component is responsible for the planning and administration of developing the workforce.
- The Support Services component provides administrative support services, such as a messenger service, a receptionist service and the registry.
- Corporate Services also played a pivotal role in the restructuring process that took place in the Department during the financial year. Services provided included the drafting of cabinet submissions, costing, staff re-organisation (matching and placing exercises), and liaison with other relevant provincial departments in order to have the restructuring approved.
- Specific components within Corporate Services also provide services to external clients (for example, Higher Education Institutions – with regard to the Internship Initiative).



Yumnaa Firfirey, Deputy Director: Tourism Enterprise Development

More news from within the Department... The story below was written for the Department's internal newsletter:

In touch with your intuition

For those of us that still feel that our parents parental guidance can be a bit overbearing or too much, here is a story of a father's intuition and protection that paid off in a great way.

Yumnaa Firfirey was on holiday from 22 March 2005 when she got the news that she had to act as Chief Director: Economic Sector Development from 30 March 2005 to 01 April 2005 and that she had to attend a MIPTech meeting in Sandton on 30 March 2005. She obliged and proceeded with the arrangements.

Yumnaa arrived in Johannesburg on 30 March 2005 and collected the hired Toyota Tazz. In the meantime her father, Abdulla Firfirey came to the airport to surprise her. He drove all the way behind her to her meeting in Sandton and saw her off. Later that day when he came back to meet her, he saw that someone was reversing the vehicle. A chase followed and luckily the car was recovered without any injuries to her father.

This shows that parental intuition can still be valuable and that our own intuition should also not be underestimated. There is often that nagging voice inside of us guiding us to the right thing to do.



The OHS committee comprises of Patricia Wyngaardt, Zubeida Ben, Mark Sullivan, Mandisa Nompunga, Romeo Adams, Simone de Wet and Khaya Mahanjana. Middle row: Nashreen Albertus and Melanie Pienaar. Front row: Toufeca Gamielien and Lucinda Boniface. Absent: Moyra Dick.

The purpose of the Occupational Health and Safety (OHS) committee is to administer the Occupational Health and Safety Act, Act No. 85 of 1993, and to ensure that the Department complies with the provisions of the Act in providing a healthy and reasonably safe environment in the workplace that is reasonably safe and without risk to the health of his/her employees.

In order to ensure compliance the Department appointed an official to, amongst other responsibilities, co-ordinate and deal with the administration of all health and safety-related matters within the workplace.

In 2004, six OHS representatives were elected, completed the relevant training and were officially appointed, in writing, by the Head of the Department. Furthermore, Fire Marshalls were sent on a Basic Fire Fighting course.

The Departmental OHS committee meets on a monthly basis to discuss matters of health and safety and make recommendations to management.

Overview of organisational environment

Sub-programme 1.2: Corporate Services

Corporate Services provides in-house services to ensure the efficient, effective, and economical management of the Department, which is essential for the achievement of the Department's strategic deliverables.

To meet the demands of pressures placed on the **Financial Management** unit in providing financial services to the Department, a number of new appointments were made. In the reorganised structure, the staff establishment was increased from 10 to 29 persons. A total of 16 vacant positions still exist in the component.

The structure of the **Human Resource Management and Support Services** unit during this reporting period has proved to be inadequate for service delivery. This has resulted in:

- Contract staff being appointed to address the limited human resources available.
- Staff from other components within the unit to assist where needed.

During this reporting period only a limited number of permanent staff could be appointed in the Human Resource Management and Support Services unit due to the limited number of existing vacancies. Even with a full complement of permanently employed staff, the unit experienced some challenges with regard to service delivery, due to the insufficient number of established posts. In the reorganised structure, the staff establishment was increased from 10 to 26. A total of 14 vacant positions still exist in the component.

Measurable objectives

The programme had the following objectives for the 2004/05 financial year:

- To provide the overall management, administrative and functional support to the Office of the Provincial Minister of Tourism.
- To provide effective and efficient financial, human resource and executive management support to the Department.

Service delivery objectives and indicators

Sub-programme 1.1: Office of the Provincial Minister: Tourism

The Ministry, created in the 2003/04 financial year, was dissolved after the National and Provincial elections that took place in April 2004. The Ministry responsible for Tourism was subjected to a ministerial portfolio shift from the Department of Economic Development and Tourism to the Provincial Treasury.

Sub-programme 1.2: Corporate Services

The 2004/05 financial year for the Corporate Services sub-programme, successfully created in the 2003/04 financial year, has been a year of consolidation with regard to key functions.

Financial Management has focussed on the filling of vacancies within the unit to meet the demands of an efficient, growing and successful Department. Achievements in the 2004/05 financial year include:

- the successful tabling of the Department's budget and strategic plans;
- the compilation of a Financial Manual governing all financial aspects pertaining to the Department;
- the implementation of the Accounting Officer's Supply Chain Management System; and
- the successful management of departmental funds to guide the Department to a saving of below 1% of the Voted Budget.

Human Resource Management and Support Services was instrumental in providing strategic advice, leadership and guidance during the restructuring process undertaken by the Department. The unit has shown significant achievements in:

- the filling of vacant posts within the Department to above the 77% filled mark;
- the minimising of disciplinary action taken within the Department; and
- the implementation of a records management system.

Service Delivery Achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Office of the Provincial Minister	Ensure advisory, secretarial, administrative and office support to the Provincial Minister of Tourism.	Fully operational office of the Minister.	100%	The Office of the Provincial Minister of Tourism was dissolved as from 01 June 2004, as a result of the cabinet reshuffle after April 2004. Funds were shifted to Vote 9: Environmental Affairs and Development Planning via the Adjustment Estimate Process. The Ministry was relocated to Vote 3: Provincial Treasury.
Corporate Services	Provide strategic direction and effective management of the Department.	Development of departmental policies and guidelines.	Continuously	The Programme has developed a substantial guide pertaining to Financial and Corporate Management issues. This Financial Manual was developed in consultation with all relevant managers within the Department and was aligned to other National and Provincial Norms and Standards.
		Submission of the Department's Strategic Plan and Annual Report	Continuously	During the 2004/05 financial year the Department underwent a process of restructuring that would allow the Department to best meet the demands facing the economy of the Western Cape. A comprehensive 5-year Strategic Plan and 3-year Annual Performance Plan was compiled and submitted to the Provincial Legislature and Provincial Treasury on 30 March 2005.
	Ensure sound financial management.	Compliance with annual budget circulars issued by the Provincial Treasury.	100%	Development of a substantial Financial and Corporate Management Guide.
		Competent financial component.	100%	All functions regarding financial management has been taken over by the Department. The Financial Management unit has implemented sound administrative structures with regard to Budget Management, Internal Control, Financial Management and Supply Chain Management.
		Compliance with the Supply Chain Management Framework.	Daily/Continuously	The Department has established an Accounting Officers Framework to govern all Supply Chain Management issues relating to the Department.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Corporate Services	Render a transversal Human Resource Management service to the Department and the Ministry	Review and monitor the implementation of HR policies and plans to ensure effective service delivery.	Annually	<p>This section provides a brief description on the progress made. Please refer to Part 5: Human Resource Management in this annual report, for a more detailed description.</p> <p>Personnel Management At the end of the reporting period 77.4% of the vacancies were filled permanently. Certain vacancies were filled with contract staff, due to the reorganisation of the Department.</p> <p>Human Resource Development The processes of identifying human resource development needs and facilitating the delivery of interventions to address these needs were completed as part of the development of the Department's Workplace Skills Plan. A Quality of Worklife initiative was also introduced, which aims to enhance the total work experience of ALL staff members.</p> <p>Labour Relations and Transformation Minimal disciplinary action was taken by the Department. However, there was an increase in declared disputes, when compared to the previous reporting period. Also, the Department facilitated information sessions and VCT on HIV/Aids.</p> <p>Support Services: Implementation guidelines were drafted for: 1. Records management 2. Filing system The guidelines will be implemented in the next reporting period.</p>

Programme 2: Enterprise Development

Purpose

The aim of Programme 2: Enterprise Development is to grow key sectors in the regional economy to ensure competitiveness, employment, small business development, black economic empowerment, the geographic spread of economic activity, and to ensure a fair business environment.

Enterprise Development is structured to focus on the core elements of the Micro-economic Development Strategy (MEDS) and the objectives of iKapa eliHlumayo, as follows:

Sector-based interventions

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

Theme-based interventions

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

Enterprise development

A significant part of this programme focuses on enterprise development within the following three major programmes:

- Enterprise Enhancement – identifying and assisting existing enterprises to make them globally competitive and to ensure their sustainability and growth.
- Enterprise creation – addressing ownership issues and focussing on the lack of opportunities for the resource poor.
- Development of modern co-operatives – offering the opportunity for teams of skilled individuals to form and occupy created enterprises.

Service delivery environment

Sub-programme 2.1: Business Regulation

The Sub-programme: Business Regulation provided its service delivery in the following units:

- Business Licensing, which largely consists of the Liquor Board and measures relating to the reduction of the harmful effect of the liquor trade.
- The Office of the Consumer Protector, which is responsible for the provision of consumer protection services.

During the financial year, the sub-programme: Business Regulation was responsible for service delivery to the public through its liquor licensing and consumer protection units. In both units, the key performance targets for services to the public were largely met and exceeded. Due to capacity challenges, problems were experienced in the promulgation of legislation and regulations required to enhance service delivery. Through concerted efforts, the responsible managers and support personnel largely overcame these challenges.

A roll-over of funds did not take place from the previous financial year, however, an amount of R390,000 of the Department's own revenue became available due to an over-recovery of liquor licence fees.

Sub-programme 2.2: Industry Development

The Industry Development sub-programme did not experience any particular problems in the roll-out of its programmes and projects, as the programme provides few direct services to the public. Its main achievements were to strengthen the sector bodies during the year, and to actively drive key projects within the sectors.

Sub-programme 2.3: Economic Development Co-ordination

Within the **SMME Development** unit, the 2004/05 financial year commenced with the development and initial implementation of the Real Enterprise Development (RED) Initiative. The RED Initiative, aligned to the Department's Micro-economic Development Strategy (MEDS), focused on the following key elements to ensure a credible small business strategy:

- convenient access points for small business support;
- co-ordination of small business support service providers;
- improved access to finance;
- access to business opportunities;
- access to training and skills development; and
- infrastructure and trading sites for small businesses.

The RED Initiative was given impetus by the launching of the **dti's** Small Enterprise Development Agency (SEDA) during the last quarter of 2004. This significant event has seen the Western Cape emerge as a front-runner in the roll-out of the national small business strategy. In addition, the Province's adoption of the RED Initiative has been reinforced, with the Department being ideally positioned to fully access national government support for small business.

The RED Initiative has successfully laid the foundation for integrated and well co-ordinated measures, which result in real impact on the number of businesses started, expanded and sustained. In reaching out to aspiring and existing entrepreneurs, the RED Door one-stop-shop business advice and support centres in Khayelitsha and Mitchell's Plain assisted a significant number of entrepreneurs. The Business Place (located in the Cape Town CBD), a partnership between the Department, the City of Cape Town and Investec, continued exposing people to entrepreneurship and encouraging people to participate in business development and entrepreneurship events. Besides the direct provision of business advice and information to entrepreneurs, more than 155 entrepreneurs (start-ups and existing) were assisted with access to finance through the iKapa/ABSA Funding programme.

The **Local Economic Development** unit has delivered on a more focused strategy, which has resulted in an expansion of service delivery areas and the implementation of suitable and relevant initiatives to address meaningful local economic development. The promotion of enterprise development to impact on HDI ownership and the geographic spread of economic activity in the Province is a core service delivery area. In LED, this was expanded to address far more effective engagement and support to local municipalities which are on the frontline of joblessness. Increasing the capacity of municipalities to achieve and provide an environment for economic development was critical. Furthermore, the Local Economic Development unit started building on the process of what the development of the Micro-economic Development Strategy (MEDS) would mean to local government – by unpacking to municipalities the kind of assistance that can be provided in the formulation of LED strategies and plans through a comprehensive economic baseline study.

The fledgling component of the **Economic Empowerment** unit, although staffed by one person, began immediately exploring and researching economic empowerment as a cross-cutting intervention. Consultations and discussions were held with a broad range of stakeholders which included women, youth and the disabled. In a short period, the unit successfully negotiated and co-ordinated empowerment deals that assisted in retaining a significant number of jobs, and also enabled the targeted groups to participate in the mainstream of the economy. The demand for the services of this unit was boosted by the BBBEE Act that was legislated during January 2004; the release of the New Codes of Good Practice covering all areas of Black Economic Empowerment; and the alignment of the BBBEE Act with the Preferential Procurement Act.

Economic Development Co-ordination also facilitated and implemented a few pioneering projects with municipalities, which have increased black ownership, women's participation, and greater economic participation. Finally, Economic Development Co-ordination proactively created greater awareness and provided better access to citizens of the Province on the offerings of the government in respect of economic development issues, support programmes, and benefits.

Overview of organisational environment

Sub-programme 2.1: Business Regulation

The ability of the sub-programme: Business Regulation to deliver services was restricted by a delay in the approval of the White paper on Liquor Licensing by the Cabinet. The delay meant that the draft provincial liquor legislation could not be introduced to the Provincial Parliament. The delay in the introduction of the legislation has caused further delays in finalising ancillary projects relating to capacity building and to development of the envisaged structures. The first draft of the legislation was finalised within the financial year and its approval by the Cabinet and introduction within the Provincial Parliament is expected within the second quarter of the next financial year.

The provincial Consumer Regulations were delayed as a result of capacity issues within the Office of the Consumer Protector. A concerted effort by the manager and supporting personnel ensured the completion of the provincial Consumer Regulations before the end of the financial year. The provincial Consumer Regulations have been submitted for certification and approval, and will become operational within the first quarter of the next financial year, which will allow the Consumer Tribunal to become fully operational.

Sub-programme 2.2: Industry Development

The sub-programme: Industry Development underwent a major restructuring, which saw the tourism and sector development portfolios being merged; new functions being created; and new budgets being assigned. An interim Phase 1 structure was implemented, with a view to enter into a Phase 2 as soon as budgetary and human resource limitations allow. This was certainly a difficult period for employees particularly in the sector units, with a number of employees choosing to move to new portfolios. In addition, a number of acting appointments were made, with employees having to report to a number of different managers over the year. As a result of the restructuring process, all new

appointments were put on hold during the year, which meant that the vacancies, especially in the sector units, were at a particularly high level by the end of the year. This led to senior managers having new functions in addition to their existing functions, which resulted in added pressure to deliver fully on core functional areas and pressure was placed on middle management.

Sub-programme 2.3: Economic Development Co-ordination

The Micro-economic Development Strategy (MEDS) provides a clear indication of the strategically focused role that Economic Development Co-ordination needs to have in order to significantly impact on economic development in the Province. This resulted in an immediate focused expansion of the sub-programme's activities, with a clear emphasis on increased economic participation being realised in the Province. Economic Development Co-ordination has reorganised its structure and broadened its areas of responsibilities. The sub-programme experienced limitations in both human and financial resources, as a result of the Department's restructuring process. Despite these limitations, Economic Development Co-ordination managed to proactively ensure that synergies were established and that partnerships were built to give momentum to the economic development initiatives.

Measurable objectives

Sub-programme 2.1: Business Regulation

The measurable objective of the sub-programme: Business Regulation during the financial year was to provide a more effective regulatory framework that provides for equity and predictability in the business environment within the Province.

Sub-programme 2.2: Industry Development

The measurable objectives of the sub-programme: Industry Development are the effectiveness and sustainability of the not-for-profit sector bodies, and the number of key interventions carried out by the sector bodies. The measurable objectives of the Workforce Development unit include the degree of participation by organisations in the Learning Cape Festival, and the level of buy-in with regard to strategies developed by the Department.

Sub-programme 2.3: Economic Development Co-ordination

Economic Development Co-ordination aimed to increase the pace of growth and development by removing obstacles to competitiveness, economic efficiency and equity. The focus areas were: growth, competitiveness, employment, small business development, black economic empowerment, and a more equitable spread of economic activity across the Province. Underpinning this is the co-ordination across sectors, between government departments, between social partners, and within the Department. In doing so, Economic Development Co-ordination is able to promote the broad approach of iKapa eliHlumayo in pursuing the systematic reduction of employment and income disparities in the Western Cape through enhanced economic activity.

Service delivery objectives and indicators

Sub-programme 2.1: Business Regulation

In the **Business Licensing** unit the delay in the approval by the Cabinet of the White Paper on Liquor Licensing resulted in the unit not submitting draft liquor legislation to the Provincial Parliament. Related targets dependant on the legislation, such as the establishment of the envisaged structures, capacity building within the structures, and training programmes for sellers of liquor, were consequently not achieved. In anticipation of the approval of the liquor policy, efforts were

made to draft liquor legislation to reduce the impact of the delay and consequently with the approval of the White paper on 16 March 2005, Business Licensing was able to distribute the first draft of the liquor legislation to other Departments and stakeholders for comment.

The **Liquor Board** met its target for the number of applications considered and its enforcement personnel met their target of complaints attended to.

The project relating to the prevention of foetal alcohol syndrome proved a success and the number of learners reached exceeded the target. The Department also received the study relating to the effect of bulkwine in unsuitable packaging on the rural population and reached an agreement with the wine industry on the phasing out of the undesirable packaging of products through a system of norms and standards.

The **Office of the Consumer Protector** did not achieve its target of operationalising the Consumer Tribunal, largely due to a delay in the promulgation of consumer regulations in terms of the Consumer Affairs (Unfair Business Practices) Act, No 10 of 2003. The delay was partly caused by capacity constraints within the unit and by administrative oversight when the draft regulations were submitted to the State Law Advisor for certification. The regulations were eventually submitted during the last quarter of the financial year and will be approved in the following financial year.

The Office of the Consumer Protector exceeded its targets relating to public information and awareness of consumer related issues largely due to the adoption of well-considered strategies and the use of appropriate methods of communication. Other regulatory bodies and sector specific organisations were engaged to participate in departmental initiatives, thereby maximising the number of consumers reached. The optimum number of non-government consumer advice offices have been funded, with the target number having been reached during the financial year. Past constraints regarding the effectiveness of the advice offices have been addressed through training programmes to ensure capacity building in the management and service provision of the offices.



Senior citizens are well represented at a Consumer Rights Day workshop at Bonteheuwel multi-purpose community centre on 21 March 2005.

Office of the Consumer Protector Consumer education: Teaching people money-saving skills

The Office of the Consumer Protector (OCP) is not only there to protect the public from faulty products, bad service or shady dealings. Pro-actively the OCP educates the public and other stakeholders about their rights, and also holds outreach programmes for a more informed consumer. One of these programmes was to bring money saving advice to those who most need it, namely low income consumers. The OCP persuaded Bankseta's Micro-Finance Skills Project (MFSP) to fund a savings advice programme province-wide. OCP advice offices, including the rural areas, were used to run 130 workshops on debt, saving, budgeting, and accounting. The overwhelming success of this programme resulted in the Bankseta giving the OCP R200,000 to conduct similar workshops in 2005/06. This is twice the amount given to other provinces and is a reminder to us that we are working to give effect to our motto: "An informed consumer is a satisfied consumer!"

...and continuing with its consumer outreach, the OCP is publishing The Clever Consumer - A consumer pocket guide packed with information: 160 pages; 93 consumer topics; full colour; and contact details for all the regulatory bodies where consumers can complain. Small enough to fit into your shirt pocket!

The Office of the Consumer Protector has also improved its own success rate through the optimum use of an electronic complaints management tracking system. The target set for quality and quantity of complaints that had to be attended to, was exceeded.

Sub-programme 2.2: Industry Development

The delivery objectives and indicators developed within the sub-programme Industry Development relate largely to the performance and impact of institutions managed by the Department. This is in the form of the sustainability, reach and impact of these agents, and the degree to which they have performed. In addition, there are specific indicators, such as the number of organisations involved in the Learning Cape Festival, and the number of discrete projects funded.

Sub-programme 2.3: Economic Development Co-ordination

Within **SMME Development**, the financial year commenced with the development and initial execution of the RED Initiative. Prior to the launching of the RED Door Initiative, extensive consultations were undertaken with key stakeholders, including municipalities, business, services providers (both NGO and private sector). Key locations were selected in the City of Cape Town and all 5 district municipal areas.

The launching of the first RED Door offices in Mitchell's Plain and Khayelitsha spearheaded the unit's strategy to effect real impact on small business and entrepreneurship. Between the latter quarter of 2004 and the first quarter of 2005, almost 1 700 aspiring and existing entrepreneurs were assisted where more than 40% were women, 30% were youth and 2% were differently-abled. The assistance provided at the RED Door offices with tender applications resulted in entrepreneurs securing tenders to the value of more than R5.2 million. Significant partnerships were forged during this process with Khula-accredited retail financial intermediaries, commercial banks, procurement distributors and regulatory government agencies (for example, SARS).



Litha Kutta, RED Door regional manager, explains to business people visiting the Khayelitsha RED Door office how the RED Door Initiative serves the needs of SMMEs.



Vakele Nobuzana & Thembi Mlonyeni

Thembi + Entrepreneur = Success!

Thembi Mlonyeni is the RED Door's tender "guru". How else to describe the woman who single-handedly nurtured SMMEs from Khayelitsha, in particular, through the difficult, yet lucrative, tender process to the tune of millions of rands by the end of the financial year. And that was from a starting date of 23 November the previous year. Not bad for four months work! So great has her success rate been that MEC Lynne Brown has publicly lauded her in the Legislature. So great has her success rate been that she is now tasked with training other RED Door managers province-wide on how to navigate the tender process so that their clients, too, can crack this market.

Thembi says her success comes from her long experience in working with SMMEs to achieve sustainability, knowing the market conditions and, crucially, building up a network of lenders and industry stakeholders who take her word when she says a new client is worthy of help. Also, she has built up so much street-cred with her clients that she can call upon them to mentor newer SMMEs going through the tender process for the first time; a feat when one considers the dog-eat-dog business world out there.

Good news stories are the norm for Thembi, but one of the successes closest to her heart involves a young and inexperienced construction worker, Vakele Nobuzana.

Vakele was looking for business advice for his father's faltering construction company because, he said, they were barely sustainable and had never won a tender. The RED Door notice board is filled with tenders and Thembi suggested he pick up the forms for a small job at a school. She then walked him through the application process, showed him where he and his father went wrong in how they completed the forms, and taught him how to develop his business plan. "He came to see me in December to say he had won the tender worth R260,000. He was so proud." The only problem was that the company did not have enough money to cover the cost of materials necessary for the construction. Thembi was concerned enough that she called on a financial institution to help despite JK & Sons CC's limited collateral, and she persuaded a client whom she had helped secure a R1,2 million tender to accompany Vakele to his meeting with Public Works. JK & Sons completed the tender and now Vakele and his father are working on their second tender-won project.

100 Enterprises Incubation Programme

The 100 Enterprises Incubation Programme actually consists of 114 Enterprises, because that's how many applicants were accepted into the programme despite the initial capping at 100. This R1,5 million year-long pilot programme was launched on the steps of the Provincial Legislature in September 2004 as a direct outcome of the Provincial Growth and Development Summit (PGDS) that identified a provincial need to create an integrated and user-friendly system of services to small, micro and medium enterprises (SMMEs) and co-operatives throughout the Western Cape. The ultimate aim of the project is to assist in the generation of sustainable enterprises that can successfully operate within a globally competitive environment. Participants range from Nomvuyo's Tours at the V&A Waterfront to Arendse Bouers in Oudtshoorn to Nikita's Cleaning in Vredenburg.

Individual enterprises were studied by the National Productivity Institute (NPI), which then developed a list of key interventions in support of sustainability. Enterprises were also clustered for easier access to assistance. Since January 2005 each enterprise has had a personal mentor to help implement the NPI's recommendations. Come September 2005 the NPI will undertake a second study of the 114 enterprises to determine how its recommendations were implemented and what impact this has had on the success rate. Success of The 100 Enterprises Incubation Programme will form the basis for other SMME initiatives run through the Enterprise Development unit. However, the Enterprise Development unit can report that teaching enterprises how to negotiate for better terms, for example, has made the difference from moving out of the red or staying in the black. Indeed, a participating enterprise has secured sole provider status to a major enterprise provider to the airline industry.

A key mandate of Enterprise Development is to spread the reach of iKapa eliHlumayo through targeted assistance to women, youth, disabled and rural dwellers. While the participation of youth and women exceeded the target, there is recognition that much more must be done to provide the enabling environment that will increase participation rates among the disabled and rural dwellers.

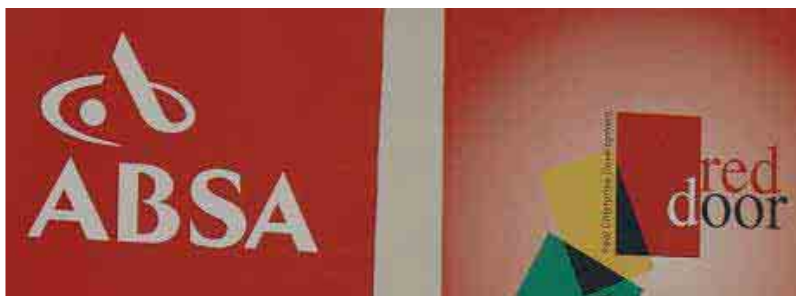


Premier Ebrahim Rasool, MEC Lynne Brown, and HoD Brendon Roberts lead the parade on the steps of the Legislature for the 100-day delivery targets.

Youth:	25%	(target: 30%)
Women:	32.2%	(target: 30%)
Disabled:	2.5%	(target: 4%)
Rural:	17%	(target: 30%)
White male owned:	2 enterprises	
White female owned:	7 enterprises	

Providing real business opportunities and linkages was driven by partnerships with NGOs, other government departments, and commercial banks. The partnership with the Business Opportunities Network ensured that tender advice and assistance was available in the Cape Town CBD, Khayelitsha, Mitchell's Plain, and the Cape Winelands municipal area. More than 400 tenderees were assisted in accessing tenders and business-to-business linkages. The Department's collaboration with the Department of Public Works and Transport resulted in 14 tender workshops being held across the Province, which provided assistance to more than 300 tenderees. The tripartite programme, *Siphukula*, between the Department of Economic Development and Tourism, the Department of Public Works and Transport and Standard Bank, enabled five emerging black contractors to access significant Public Works tenders.

The iKapa/ABSA programme, providing direct access to finance to "unbankable" entrepreneurs (who were unable to access finance through mainstream banks), meant that 159 emerging entrepreneurs could either start, expand or sustain their businesses. This fund had a positive impact on the "unbankable" market and disbursed a total of R14 million in loan capital. The 159 entrepreneurs were provided with finance and mentorship for a period of at least 24 months. The success of the programme to date has prompted ABSA to consider rolling out similar programmes to two other provinces.



The impact of the pioneering 100 Enterprise Incubation Programme proved successful beyond expectations. The programme assists newly established SMMEs to develop into growing and sustainable businesses. The initial target of assisting 100 businesses was exceeded and 114 small businesses were accommodated. The results of the programme have been impressive, for example:

- a number of businesses were assisted to resolve VAT arrears issues – resulting in huge amounts being saved in penalties;
- proper record keeping systems were implemented with 10% of the group;
- financial feasibility studies (for expansion) were done for 20 businesses;
- many were assisted in negotiating more favourable terms with suppliers moving these businesses from being in the red to being in the black; and
- assistance with costing and sensible pricing resulted in businesses obtaining profitable contracts – with one small business securing a sole service provider contract with a major enterprise in the airline industry.

The trend to combine training, mentorship and other support with real business experience continued with the **Business Beat R1 000 Challenge** and two similar programmes commencing at the launch of the first two Red Door offices. The former programme resulted in 7 out of 10 selected businesses becoming sustainable within 3 months – with an injection of R1 000 start-up capital. On average, these successful businesses maintained a turnover of R4 500 per month. The two programmes attached to the Red Door Initiative are currently underway and already favourable responses are being received by entrants.

Top class training and mentorship programmes were successfully completed involving more than 100 emerging businesses.

With the assistance of the University of Cape Town's Graduate School of Business, participants in this programme secured more than R1,4 million in finance as a result of this intervention.

The 1000X1000 Challenge

The 1000X1000 Challenge attempts to draw poor unemployed people in the economy through the establishment of survivalist enterprises.

The entry forms have been published in newspapers on a province-wide basis; and are available at RED Door offices and all public libraries in the Western Cape.

Background

South Africa recently ranked 24th out of 34 countries in terms of entrepreneurial activity. For small business to become the engine of economic growth, a radical effort to stimulate entrepreneurship is required. Our reality is a mismatch of skills of the unemployed and the demands of the modern economy.

With unemployment approaching 0,5 million and limited market success, we had to do something creative and innovative to make serious inroads into hard-core unemployment with regard to the informal sector.

The Department launched the 1000X1000 Challenge on 17 March 2005. This campaign will select 1 000 unemployed persons across the Western Cape who generate viable quick-cash business ideas, and provide them with R1,000 start-up capital and comprehensive business support for a limited period. The one who best uses the R1,000 will receive a further R5,000 towards their new business.

Objectives

The 1000X1000 Challenge will serve as a RED Door outreach programme and stimulate entrepreneurship among the unemployed and also address the needs of the informal sector.

The campaign will impact on unemployment, since it creates an option to start a business. It will provide comprehensive support to the 1 000 participants and the income levels of the participants will be positively affected. The campaign will also contribute to the 2005/06 National Budget focus on self-reliance and give meaning to iKapa eliHlumayo.

Key Deliverables

The 1 000 small businesses (every municipality will be represented) will be supported by 200 trained informal sector mentors or business coaches. It is envisaged that 1 000 documented business "recipes" – technical and business aspects – will be available at the end of the campaign, of which 60% will be sustainable businesses.

Partners

The Department launched the project in partnership with municipalities, Provincial Library Services, NGOs and the private sector.

Key Project Phases

The project would have spanned several phases by the time the "winners" are announced.

The phases include:

- Project administration and planning.
- Pre-announcement marketing and publicity.
- Announcement by MEC Lynne Brown.
- Intensive marketing/publicity
- Pre-screening of applicants and interviewing.
- Announcement of area and provincial "winners".

Later phases will include:

- Selection and training of hands-on mentors.
- Business plan training for 1 000 "winners".
- Post assessment and analysis.

BOTTOM: Alicia Mlokoti, Business Adviser at the Paarl RED Door office, tackling the challenge of creating a database to capture all the information from the thousands of entries received.



ABOVE: Widmark Moses works the phone co-ordinating the 1000X1000 Challenge.

The Boland College empowered 20 emerging rural entrepreneurs, who previously completed a course in baking, with business skills (SAQA accredited). These entrepreneurs are well on their way to starting their own businesses of supplying rusks and other bakery products to supermarket chain stores.

Survivalist and micro township entrepreneurs were given a vital lift with the provision of business development workshops in the Manenberg area. A total of 22 entrepreneurs underwent training in the basics of starting and operating a business.

Close to 30 emerging entrepreneurs, including a number of start-ups, participated in a comprehensive 4-month business development programme. This programme, a partnership between the Department, First National Bank and the Cape Chambers, comprised seminars, mentorship sessions and business training. Three of the participants in this programme are now proud part-owners of a charter boat operating from Hout Bay.

The hosting of workshops at hospitals across the Province catered for the needs of the more than 100 differently-abled entrepreneurs. The University of Stellenbosch provided these entrepreneurs, mostly recently disabled through accidents, with excellent entrepreneurship and business training.

The Business Place, a partnership initiative between the Department, Investec and Sekunjalo Investments had a positive impact on business support in the Cape Town CBD. This youth-friendly entrepreneurship centre ensured that more than 1 900 persons participated in business development and entrepreneurship events and more than 3 500 persons were exposed to entrepreneurship.

The availability and access to business information for rural constituencies was bolstered by the establishment of a further eight Library Business Corners (LBCs) in local municipal libraries. A total of 31 rural and 53 Cape Town LBCs are now active providing business information to mostly school-going youth. The rural LBCs have also become convenient venues for business and entrepreneurship workshops.



Some of the businesses and institutions supporting Library Business Corners: SAWEN, Nicro, Cape Mac, Brain, WESGRO, Umsobumvo Fund, and the Department of Labour, at a business forum in Mitchell's Plain in October 2004.

Enterprise Development

A visit to the public library today can be more than just to browse the books section, read a magazine or newspaper, or borrow a video, CD or DVD. Libraries have become community hubs dispensing usable information in easily identifiable spaces to a far broader public. Library Business Corners (LBC), a Section 21 company co-funded by Provincial Government and the City of Cape Town, uses this ethos to bring its small business-focused initiatives to public libraries province-wide. Using the Library Business Corner model, LBC disseminates business-related posters, books, videos, newspaper clippings, journals, periodicals, brochures, and pamphlets. Librarians are requested to display the material in such a way that it is easily accessible to anyone who walks in. The aim is to keep small business people abreast of their business environment in one of the most accessible venues available to them – the public library. Currently there are 53 LBCs in the greater Cape Town area and 31 LBCs in the rural areas. LBC operates in close partnership with project sponsors, library services, universities, and business communities, thus creating a network spanning the entire Province. LBC also collaborates closely with business development service providers to offer business skills training and networking events in all regions in the Province.

DIE PLEK PLAN

Die Plaaslike Ekonomiese Plan is aimed at rural constituents, and will steer them to their closest RED Door office so that they, too, have opportunity to get the help they need to take part in the expansion of our economy. In essence, Die Plek Plan will 'parachute' fully trained and equipped staff into municipalities to get high quality local economic development initiatives going in all municipal areas. Die Plek Plan is in line with the twin themes of the Provincial Government: that through iKapa eliHlumayo the Western Cape is a home for all.

Mayors and municipalities have a vital role to play in spreading the word about Die Plek Plan. Their offices will be the first point of contact for enquiries from rural entrepreneurs. Where previously smaller municipalities might have lacked capacity to help or refer small business people, now they have Die Plek Plan and the RED Door. They are encouraged to use this win-win option not only because it will bring economic benefit to their area, but that this in turn will benefit the people and the Province as a whole.

Die Plek Plan was officially launched to local government on 18 March 2005 and was to be introduced to business on 08 April 2005.



Adele-Louise Bothma (Economic Development Co-ordinator) greets Jessica Fortuin of the National Development Agency at the launch of Die Plek Plan.

The annual Small Business Week for this financial year, a collaborative effort between the Department, the City of Cape Town and other private sector partners, proved to be the most successful event since its inception in 2000. Not only was the event visited by more than 1 200 entrepreneurs, but the linkages and networking among small businesses, corporates and government departments resulted in many visitors accessing real business opportunities.

The programme dedicated to assisting small manufacturing businesses and managed by the Cape Manufacturing Advice Centre (CAPEMAC), extended its reach to the South Cape area through the establishment of a satellite office in George. This targeted programme, which combines professional diagnostics by well-qualified staff and expert private sector service providers, notched up more than 300 individual interventions and completed 80 group projects. These interventions have resulted in enterprises ultimately increasing profitability through measures that have resulted in improved production flow and better product design. Also, interventions by the centre have allowed some enterprises to expand production capacity resulting in increased local employment.

In its drive to ensure more effective economic development service delivery at municipal level, the **Local Economic Development** unit has in its second year of financial support provided increased strategic direction to municipalities in terms of the Economic Development Units (EDUs) that were established at district level. Each EDU has been accepted by local council and forms part of the institutional arrangement of the municipalities. In order to deliver on economic initiatives, the municipalities have incorporated the purpose and functions of the EDUs to coincide with other local and national structures (for example, the PIMMS offices).

The Department has strategically extended its role in terms of local economic development by developing a focused programme to assist smaller B-municipalities. A plan to fast track the development of high quality economic development capacity in all interested municipalities outside of the Metro area has been developed. It is called Die Plek Plan (**Die Plaaslike Ekonomiese Plan**). Die Plek Plan has undergone a consultative process and has been met with great enthusiasm from both local government and business. The existing EDUs will be incorporated into Die Plek Plan, and will in this way strengthen the roll-out of the programme.

The Local Economic Development unit has also ensured that consistent economic development support services are offered to municipalities through engagement, assistance, and active

participation in one-on-one sessions with municipalities on economic development issues as part of the IDP process. This process of engagement included the following:

- providing guidance and support in the development of local government's LED strategies;
- assisting in the alignment of national and provincial policy; and
- developing appropriate LED plans, to ensure that sustainable initiatives and projects are implemented.

Technical support and representation, expert advice, business plan evaluations and feasibility studies, are amongst the key service areas. This departmental investment ensured greater efficiency when partnering with municipalities to implement projects and programmes within the IDPs to produce more meaningful local economic development and geographic spread of economic activities.

Previously, the provision of access to support programmes for rural and township communities only occurred through demand driven requests from regions. In this period, the Local Economic Development unit embarked on organised roadshows that comprised a series of workshops throughout the Province. The workshops held with local government and business created awareness, increased participation and assisted in the roll-out of departmental and national support programmes and benefits, for example, the RED Initiative, Die Plek Plan, and Co-operatives development. In order to meet the demand for access to information and/or support programmes and services, the unit responded with expert advice and assistance to requests from across the Province.

The unit engaged extensively in regional development initiatives (for example, ISRDP, URP and Project Consolidate) to ensure practical alignment of departmental programmes with national and provincial objectives, and to ensure that provincial government's spending is optimally maximised.

Local Economic Development supported the development and implementation of pioneering pilot projects from pickled Piketberg jams, to community empowerment in the dairy industry in the Cape

Winelands, to the now famous herbs from the Beaufort West hydroponics herb farm. These community-based projects are supported to ensure that community-owned enterprises emerge, and to stimulate economic and social activity within a local area.

At the Hydroponics herb farm in Beaufort West, with support to the expansion phase of operations, 40 permanent employees and 24 interns have already commenced the planting season in its second greenhouse, with a new refrigerated container being incorporated into the packing facility to accommodate increased market demand. Furthermore, as a subsidiary of the hydroponics company, the essential oils project employed the first 10 people in January 2005.

Supported on a similar model of community-based ownership, Intaba Jams (Piketberg) required assistance with the expansion of production capacity to service sustainable retail markets. Intaba Jams have successfully achieved the following: commenced with building alterations; purchased their first delivery vehicle; and contributed to skills development by providing a four-day training course on the making of jams and jellies to five Beaufort West residents. The nine shareholders of Intaba Jams are preparing to increase their capacity to 30 full-time employees to meet the demands of the new factory, which will open in September 2005.

Finally, Local Economic Development is conceptualising the development of key economic spatial and infrastructure initiatives. This means catalytic mega projects that will stimulate a positive economic climate in line with the growth and development plan for the Province. These projects will be appropriately contextualised (within URP, ISRDP and Project Consolidate), and will realise economic stimulation as a direct outcome. Through regional development strategies and interventions, initiatives that are cross-cutting over municipal borders and boundaries will be supported. The objective is to create larger economic stimulation than might be achieved if done separately and in isolation within the individual municipal regions. A macro perspective is required to determine if the proposed interventions will create economic stimulation. For example, the potential of industrial development areas (IDZ) in the Saldanha Bay and the Mossel Bay regions; and the spatial

Local Economic Development – Project Consolidate

The provincial launch of Project Consolidate in Grabouw (Theewaterskloof Municipality) was the third phase of the four-phase roll-out of this Presidential initiative. Dignitaries paid a site visit to one of the early deliverable projects - a sewing project in the Rooi-dakkies township in Grabouw.

President Thabo Mbeki, in decrying ongoing, systemic incapacitation of many municipalities 10 years after the introduction of democratic governance, called for all spheres of government to work towards resolving this national ill. Project Consolidate was created to forge a new way of doing things through improved co-operation amongst all spheres of government to achieve common goals ("seamless governance"). It is, furthermore, an extraordinary support initiative to "turn around" underdevelopment and poverty in targeted areas, and aims at improving capacity at the municipal level through support initiatives to ensure sustainable local government.

The President's call for all levels of government to work together for improved service delivery stems from:

- Well documented public dissatisfaction and unrest with uneven levels of service delivery.
- Non-caring attitude of certain government institutions and officials ("business as usual") not contributing towards improved service delivery.
- Lack of understanding by public officials of transformation issues, developmental issues, and national priority issues.
- Lack of understanding of the consequences of continued and increased poverty and unemployment.
- "Turf issues" across government departments in dealing with service delivery matters.
- Lack of understanding of working for the public good (Batho Pele, Ubuntu, Social Capital); also basic economics by government institutions emphasises process rather than impact and outcomes in service delivery.
- Real lack of management and skills capacity at municipalities.

Project Consolidate, therefore, seeks to empower the public through:

- Establishment of functional ward committees.
- Developing delegations and policies, and provide municipalities with "best practice" examples to enhance good governance.
- Increasing access to basic services, finalise the national indigent policy, and



Women of the Rooi-dakkies sewing project

resolve billing problems among the very poor.

- Enhancing local economies and provide all South Africans with a basic level of service.
- Deepening good governance through improved internal control systems to end corruption.
- Reducing poverty and increase access to basic services for all through harmonious co-operation between all three spheres of government.
- Monitoring increased services delivery through simple PMS's.
- Integrating residential development in opposite to the previous racially-based spatial development.

The Provincial Government's Project Consolidate is tasked with identifying service and poverty "hot spots" at the municipal level, preparation and approval of a Project Consolidate implementation plan and identification of capacity support initiatives, and implementation of the Project Consolidate plan. Project Consolidate is assisting rural Beaufort West, Cederberg and Matzikama, is facilitating job creation for 50 people in a brick making and paving project in Theewaterskloof, and is working to help establish new business ventures for previously disadvantaged

individuals. The Department is tasked with delivering on these by June 2005. The establishment of Die Plek Plan is seen as a practical intervention that will identify economic and business opportunities in these areas linking communities and individuals to job creation opportunities.

In the Western Cape targeted municipalities for special projects and capacity support pilot sites are Cape Town (Khayelitsha & Mitchell's Plain), Matzikama, Cederberg, Witzenberg, Theewaterskloof, Kannaland, Central Karoo District (Laingsburg / Beaufort West/ Prince Albert and DMA:Murraysburg), Rietpoort (DMA: West Coast DM) and De Doorns (Breede Valley Municipality). Municipalities targeted as Anti-corruption pilot sites are Cape Town, Kannaland, Theewaterskloof, George, Langeberg, and Cederberg is targeted as a municipality Billing System pilot site.

To date the Department of Local Government and Housing has assisted in the implementation of certain projects and has established Project Management Units (PMUs) at district municipalities, unblocked blockages on various projects through immediate "unconventional" interventions, established monitoring institutions, secured funding for project management support, capacity support initiatives and certain Project Consolidate projects, finalised early deliverables for Theewaterskloof, Matzikama, Beaufort West and Cederberg, devised unique project management planning and monitoring systems with dedicated assistance from Cape Winelands Municipality, finalised capacity support needs of municipalities, and established a provincial capacity support task team with high profile guardians/co-ordinators such as Prof J Burger (Matzikama & Cederberg), Prof Nic Steytler (Theewaterskloof), and Prof V Taylor (Beaufort West).



Rooi-dakkies in Grabouw.

(municipal) development programmes in the presidential nodes, the URP and the ISRDP. The key challenge over the next period will be the progress made on the development of the key provincial strategies, as this will inform the interventions implemented. As this is a new area of work, human resources and funding have not been allocated.

The significant contributions of the **Economic Empowerment** unit can be grouped into two main areas. Firstly, the extensive partnerships that have been secured with key role-players in the empowerment arena. These include South African Women's Entrepreneurs Network (SAWEN), Business Women's Association, Western Cape Business Opportunities Forum (WECBOF), Khayelitsha Youth Development Forum, and the Office of the Status for the Disabled. Engagement with rural communities in areas such as Vredendal, Montagu, Caledon, the Hex River valley and George also took place.

Secondly, interventions that secured or retained existing jobs and which also led to the empowerment of the targeted groups. These include:

- Novel Garments SA in Atlantis, which faced closure due to the withdrawal of its foreign owners. WESGRO then became the interim owners, and an amount of R10 million was received from the Department to effect the transaction. The Department and WESGRO are in the process of ensuring that ownership is transferred to a BEE partnership.
- TEJ knitting factory also benefited from the unit's intervention which resulted in the factory remaining open and in more than 80 jobs being retained.
- In a boost for women's empowerment, the unit succeeded in facilitating capital of R1 million from the National Empowerment Fund for the Isibane Protective Wear factory.
- In acting as a facilitator in the conflict between Indian and African traders in the Nyanga area, the unit successfully resolved this conflict and initiated a feasibility study to establish a wholesaler in the area.

Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Business Licensing	Implementation of provincial liquor legislation and the establishment of subsequent structures.	Establishing and operation of proposed structure.	Municipal and SAPS implementation structures fully functional.	Provincial liquor policy approved by Cabinet and first draft of liquor legislation finalised.
			Liquor Board and structures fully functional.	Provincial Liquor Board established in terms of the Liquor Act No 27 of 1989 fully functional.
	Maintaining an effective and socially responsible liquor licensing system.	Increasing the number of licensed premises.	Increase in licences from 5 500 to 6 000.	6 000 licence applications processed.
		Increasing the number of complaints resolved.	Increase to 200.	200 complaints successfully attended to and resolved.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Business Licensing	The development and implementation of a system of education, training and awareness of the sellers and consumers of liquor to reduce the harm associated with the abuse of alcohol.	Establishing and implementing an accredited education and training programme.	Development of curriculum and implementation of training.	Provincial liquor training syllabus completed, legislation not promulgated and training programme not implemented.
		Ensuring that every new licence holder completes the prescribed training.	1 000 new licence holders trained.	
		Implementing measures to reduce the harm associated with alcohol abuse and the sale of liquor.	Research into packaging concluded/ development of measures.	1. Study on packaging completed. Industry agrees to phase out harmful packaging. 2. Programme relating to awareness of foetal alcohol syndrome in Breede Valley expanded.
		Ensuring a general awareness amongst the public of the provincial liquor licensing system and awareness of dangers of abuse.	Public awareness campaign with partners.	Provincial liquor policy consulted with stakeholders.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Business Licensing	Implementation of provincial consumer protection legislation, and establishment and maintenance of subsequent structures.	Resolution of referred consumer complaints by the Office of the Consumer Protector and the Consumer Tribunal.	The measurable objective has been achieved and is subsumed as part of the provision of a complaints network.	The Consumer Tribunal is not yet functional. However, Consumer Tribunal members have been appointed and the Regulations have been drafted.
	The provision of measures for the protection of consumers through the provision of a complaints handling mechanism.	Expand and maintain network of consumer advice offices.	Expanded to 26 advice offices.	Expanded to 28 advice offices.
		Provision of line-functional training to consumer advisors.	Training to own and 6 regional advice offices.	Informal training conducted during visits by OCP staff and in workshops – 3 regions covered.
		Provision of managerial guidance to advice offices, including training.	Advice offices of remaining 2 regions trained, follow-up-training to new or replaced staff in own and regional advice offices.	Chairpersons of all 28 advice offices received human and financial management training. Continuous on the job training of own and regional advice office staff with assistance of regulatory bodies – all regions covered.
		Maintaining an acceptable quantitative and qualitative level of finalisation of complaints by own staff and advice offices.	Own staff: 50 to 60% resolution rate. Regional advice offices: 40% to 50% resolution rate.	Resolution rates: Own: 65% (within the first month). Regional advice offices: 55% (within the first month).

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Business Licensing	The provision of measures for the protection of consumers through the provision of a complaints handling mechanism.	Identifying, procuring and implementing an appropriate electronic complaints management system.	Implementation of system.	Electronic complaints management system put into operation.
	Raising the level of awareness of the rights of consumers amongst consumers and businesses in the Province.	Public awareness campaign regarding the consumer legislation.	350 000 consumers reached through the mass media.	400 000 consumers reached through the mass media.
		Public education campaign regarding consumer rights.	350 000 consumers reached through the mass media.	500 000 consumers reached through the mass media and workshops.
		Design, produce and distribute consumer education material.	120 000 households reached through mass distribution.	140 000 households reached through mass distribution.
		In co-operation with other stakeholders, particularly the advice offices, participate in localised public education projects and events.	Participate in 5 festivals and 13 – 17 events.	Participated in 4 festivals and in excess of 75 events (including talks, workshops, etc.).

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Industry Development	Funding and leadership of existing and new not-for-profit sector bodies.	<p>Number of sector initiatives actively supported and funded, and combined impact of the sector bodies on KPIs and job creation measurables.</p> <p>Sector initiatives:</p> <ul style="list-style-type: none"> • Cape IT Initiative (CITI) • Cape Biotech Initiative (CBI) • Calling the Cape (CTC) • The Cape Film Commission (CFC) • Clotex • The South African Wine and Brandy Institute • The Cape Oil and Gas Supply Initiative • The Cape Town Boat-building and Technology Initiative (CTBTI) • Cape Craft and Design Institute (CCDI) • The SA Mariculture Initiative (SAMI) • SAPPEX (South African Protea Producers Exporters Forum) • Cape Initiative in Materials in Manufacturing (CIMM) 	11	<p>All the listed initiatives were supported, with eight initiatives receiving funding during the year.</p> <p>The following eight initiatives received funding: CITI, CTBTI, Calling the Cape, the CFC, Clotex, COGSI, the CCDI, and SAMI.</p> <p>The eight funded sector initiatives achieved the following outcomes collectively: Total PGWC Funding: R12,3 million Total private sector funding raised: R3,2 million Total staff employed: 32 Industry events hosted: 190 Numbers attending: 5 293 Size of database: 10 571 SMMEs assisted: 2 155 BEE firms assisted: 1 505 Trade and investment missions received: 45 Jobs created or sustained: 9 665</p> <p>All the initiatives are still fully operational and have provincial government representation on the boards of directors', with the exception of SAPPEX, and the Wine and Brandy Institute.</p>

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Industry Development	Funding sector-based initiatives of a major infrastructural nature: <ul style="list-style-type: none"> Arising from a Provincial Manufacturing and Technology Strategy (PAMTS). Recommended by sector summits arising from the Provincial Growth and Development Summit (PGDS) process. Arising from the Micro-economic Development Strategy (MEDS) 	To fund the identified strategies, projects and technology platforms. At least 3 major projects to be initiated through the process.	3	PAMTS has identified approximately 10 key projects for intervention. These projects, which include an institute for advanced tooling; a clothing technology centre, and a rapid prototyping centre, will be finalised with the outcomes of the MEDS.
		Infrastructure: Film studio: Dependent on financial commitment by the project leaders, this funding will be measured by its contribution to ensuring that the project is launched, and that an impact analysis is conducted.		
	Increased foreign direct investment (FDI) and trade.	Funding of WESGRO: Value of new investments p.a.	R1 billion	The foreign trade component of the Department was outsourced to WESGRO as this function falls directly within the public entities mandate. An "investment pipeline" was developed by the public entity to classify all foreign investors in terms of the following: Committed (substantial expenditure made in the Western Cape). Probable (Western Cape is first choice for investors). Possible (several locations have been shortlisted and the Western Cape is in the top five of these locations). Preliminary (a shortlist has not been prepared, as the investment project is not clearly defined). Lost (investment project has gone to another location or has been aborted). Progress was monitored as follows: quarterly reports; and seat on the board of directors.
		Number of direct jobs p.a.	1 500	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Industry Development	Competitive emerging exporters.	Training of emerging exporters.	60	468 emerging exporters received training, which was tailor-made to suit the different developmental stages of the companies.
		Workshops on exporting and trade agreements.	5	10 one-day workshops and 1 listening lunch were facilitated by WESGRO.
		Establishment of an incentives programme for sector focused trading houses.	3	3 sector focused trading houses were funded – covering medical technologies, craft and clothing.
	Facilitating Skills Development.	Managing the process of an Integrated Human Resource Development Strategy (HRDS) for the Province.	Delivery of strategy.	This was achieved as part of the MEDS, as inputs being made into the WCED HRD Strategy, and as part of the PDC process.
		Management and co-ordination of the Learning Cape Festival (LCF).	Participation of 100 organisations.	More than 100 organisations were involved, and over 500 events were held over the month-long festival.
		Establishment and strategic support for a LCF initiative to facilitate the implementation of the HRDS.	Establishment of body.	While the company was established by the partners, it was felt that this was best achieved under the auspices of the PDC. A delay was experienced due to processes in the PDC, and the body will be formally established in 2005/06.
	The Global Business Intelligence Unit.	Establishment of a regional economic statistical service to deliver key economic and sector statistics on a regional and international level.	None set.	Conceptualisation completed. Likely launch in the 4th quarter of 2005.
	The Business Environment Enhancement Unit.	To develop programmes and projects focused on industry specific issues such as infrastructure and logistics, R&D, innovation, new materials, logistics, connectivity, etc.	5 key projects to be developed (depending on funding).	Neither funding nor resources were allocated. Funds will be provided for in the 2006/07 fiscal year.
		To establish and fund a regional innovation support centre.	Establishment of Centre.	

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Economic Development Co-ordination	To develop an enterprise development pipeline. This is a network of service providers, which will be established to address the problem areas experienced by business.	Number of service providers serving the needs of SMMEs in terms of information, access to finance, access to markets and training, etc.	20 service providers.	15 service providers.
	To create the RED Door as a single entry point for business to access the services of the pipeline in all major towns in the Western Cape.	Number of physical RED Door offices, located especially in the rural areas.	5 RED Door offices in the major rural areas and 1 RED Door office in the Metro.	8 fully-fledged RED Door offices, with 2 offices in the Metro area.
		Number of SMMEs assisted through the RED Door.	750 SMMEs assisted.	1 800 SMMEs assisted through the RED Door and more than 5 000 exposed to entrepreneurship programmes at the Business Place.
	To achieve medium-sized business actualisation, and the creation and development of small and micro businesses through sector-based interventions.	Number of businesses created and/or sustained through direct and indirect interventions, for example, access to finance.	100	165

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Economic Development Co-ordination	To engage in initiatives to address widespread problems experienced by business, such as access to finance for the resource poor, logistics (inbound and outbound), and promoting the use of incentives and grants from the public, private and NGO sectors.	Number of assistance to programmes addressing start-up SMMEs.	10	16
		(including number of SMMEs)	(200)	300
		Number of mentorship programmes.	5	6
		(including number of SMMEs)	(80)	120
		Number of business training and information programmes.	5	8
		(including number of SMMEs)	(240)	300
		Number of programmes enabling the access to tenders.	4	10
		(including number of SMMEs)	(160)	450
		Number of rural Library Business Corners (LBCs) serving as Information Depots.	30	31 rural 56 urban
		Publication and/or distribution of SMME-relevant information.	4 000 booklets	5 000 RED Door information brochures.
		Support and funding of the Manufacturing Advice Centre	1 centre	1 Cape Town-based centre
		(MAC)	1 satellite unit	1 South Cape satellite centre

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Economic Development Co-ordination	To assist SMME-support services providers to provide effective assistance to SMMEs, co-operatives and community-based business organisations.	Number of formal service providers participating in the "pipeline of SMME-support services" and the re-orientation of service providers to deliver in geographically spread areas.	16	15
	To facilitate the mentorship and incubation of SMMEs, community-based business organisations and co-operatives	Number of SMMEs, community-based business organisations and co-operatives assisted.	100	114
	To assist in the establishment and growth of sustainable community-based rural businesses and co-operatives	Number of community-based rural businesses and co-operatives established and supported, including ISRDP and Urban Renewal initiatives.	30	7

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Economic Development Co-ordination	To assist municipalities with their economic development responsibilities. Through the strategic plans of the identified key sectors, provide informed support to municipal IDPs to ensure meaningful local economic development and geographic spread of economic activities.	Number of Economic Development Units (EDUs) or structures with a similar function supported to provide capacity within a municipality.	5 EDUs supported.	5 EDUs supported.
		Number of local authority officials capacitated and/or supported in their economic development responsibility.	10	5 at district municipality level.
		Assist and commission analysis of economic structures, trends and potentials of local areas to ensure sustainable plans for targeted initiatives within the regions (number of scoping exercises undertaken).	2 scoping exercises conducted and a database and/or report available.	4 scoping exercises (3 in the Overberg and 1 in the Central Karoo).
	To engage in public works programmes to ensure that rural communities and businesses are empowered.	Number of projects impacted on through collaboration with other departments.	12	12, including: Project Consolidate, ISRDP, and URP.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Economic Development Co-ordination	To support projects and programmes that will increase black ownership, women's participation, and opportunities for the disabled and the youth through community-based enterprises. Community-based businesses and co-operatives will be a key focus.	Based on the strategic plans of the identified key sectors, the number of sustainable economic development projects identified and supported from the IDPs of municipalities.	4	4 projects: 1. Beaufort West Essential oils 2. Intaba Jams 3. Klein Eikerboom dairy farm 4. Hawston Abalone farm
		Number of community-based enterprises established and or expanded, based on the strategic plans of the identified key sectors.	3	4
		Based on the strategic plans of the identified key sectors, the number of engagements assisted with expert advice and interventions.	100	200
		Based on the strategic plans of the identified key sectors, the number of projects assisted with business plan evaluation.	8	12 community-based initiatives.

Purpose

The aim of Programme 3: Tourism is to develop, market and regulate the tourism industry in a way that will contribute to economic growth and job creation, and will ensure that all people in the Western Cape share the benefits derived. This would be achieved through ensuring that:

- Demographic and geographic economic empowerment becomes an integral part of tourism operations;
- there is ongoing service quality improvement to promote excellence;
- there is a fair and regulated tourism business environment;
- the Western Cape is positioned as a globally competitive destination;
- mechanisms are in place to ensure that there is meaningful alignment and partnership with key stakeholders; and
- monitoring and evaluation tools are in place to measure the impact of interventions that are implemented.

Service delivery environment**Sub-programme 3.1: Tourism Development**

The ITDF has now been widely accepted as the framework for tourism development throughout the Province. While some district municipalities and local government authorities experience a lack of capacity and planning when it comes to delivering services to the local communities and in assisting with the Province's empowerment programmes, there are competent municipalities which are actively engaged in service delivery and empowerment programmes which assist in tourism development.

The Western Cape has taken the lead in the area of tourism enterprise development. The national Department of Environmental Affairs and Tourism and other national organisations such as TEP (Tourism Entrepreneurship Programme) and SATSA (South African Tourism Services Association), look to the Western Cape for achieved progress which has resulted in strategy and programme roll-out to the other provinces.

There is a greater willingness to engage partners outside the Department. Relationships with national government have been more productive and there is improvement in working towards a common approach to economic development through tourism.

Sub-programme 3.2: Tourism Regulation

Transformation of the tourist guiding sector and the tourism industry as a whole is a key national imperative. In addition, while the Department has engaged in the training of HDIs for this financial period and will implement a mentorship programme for qualified tourist guides, a key challenge exists in "not just training for training's sake" and in ensuring that tourist guides are actively engaged in the workplace in a sustainable manner.

Policing the industry in terms of misconduct and illegal tourist guiding proves to be extremely problematic and non-delivery in terms of policing the industry is evident on a national basis. National Regulations for tourist guides need to be urgently gazetted and must address key issues, which include:

- illegal guiding (tour operators, foreign tour leaders, illegal tourist guides and areas of operation);
- misconduct and the code of ethics;
- proprietary rights of the Guide Badge;
- the age of guides;
- processing issues (new registrations, re-registrations, upgrading of tourist guide cards, upgrading of tourist guide badges, and replacement of cards and badges);
- the review of application forms;
- categories of tourist guides (to provide a framework); and
- the powers of Provincial Registrars.

At provincial level Registrars could develop their own policies and procedures for the above, however, tourist guiding and the regulation thereof remains a national mandate.

Tourism Safety and Security strategies have been developed, and will be further maintained and rolled-out in the 2005/06 financial year.



Zubeida Ben & Micki Matsuura

Tourists in Distress

Tourism is an important source of income for the Province – R21 billion a year and counting. We recognise the huge economic contribution of tourists to our beautiful province. With this in mind, and given the spate of attacks on some tourists in recent months, we launched the Tourists in Distress campaign to enable tourists to know exactly who to contact in the event of an emergency.

These numbers are:

Emergency Services:	107
Emergency Services (cell)	112
Ambulance Services:	10177
Police:	10111
Consumer-related complaints:	0800 007 081

We want tourists to feel safe in our Province. We know that if they enjoy their stay, they will encourage others to visit. Therefore, the Provincial Government is working

closely with the South African Police Services, the Department of Community Safety, Cape Town Routes Unlimited, medical emergency services, and the Office of the Consumer Protector to nurture this sector. We want to retain the Western Cape's reputation of being a safe and fun destination to visit.

Tourism Safety and Signage

At the heart of the Tourism Safety and Signage mandate is the Tourist Victim Support Programme that provides one-stop help in the form of Pat Gee, programme co-ordinator, and colleagues Zubeida Ben, Garth Julius, and Rod Douglas. Support programme staff have a friendly, can-help attitude that calms tourists and leaves them with a positive image of the Western Cape even when they have just been through a harrowing experience. Their job is not only to be the friendly yet sympathetic faces of the people of the Western Cape, they also provide the one-on-one support tourists need when trying to pick up their lives again after being assaulted and/or robbed. Often this involves the basics of connecting them with their local government representatives to renew identity and travel documents, getting bank and credit cards reissued, helping with accommodation, and helping tourists plan the next leg of their trip or their flight out. With their help, tourists often regain their zest for travel in the Western Cape and stay a bit longer.

One such person is Micki Matsuura from Japan. Within days of arriving in Cape Town in December last year, Micki was attacked while hiking up Platteklip Gorge on Table Mountain. She told the media that despite being stabbed several times resulting in a punctured lung, she managed to fend off her attacker with a few Karate chops and made her way to the cable station to seek help. Zubeida and Rod visited Micki in hospital and assisted with her accommodation, flights and liaison with the SAPS. Rod also obtained sponsorship for Micki to enjoy a trip in and around Cape Town, and this resulted in a total transformation from a trauma victim to an ambassador.

Two other people who say they'll be back despite being beaten and robbed just hours after arriving in Cape Town in January are Poles Darek Swaroikye and Jarek Tarozyski. The two were stabbed several times and robbed late at night in the CBD while returning to their backpacker lodge. They both sustained severe injuries and were hospitalised. Garth and Pat visited the two men in hospital, and later facilitated their travel arrangements. The Polish community also offered their assistance and together with their support a negative situation was once again turned into a positive one.

Following the Tourism Safety and Security Conference held in November 2004, a Tourism Safety and Security unit was formed within the Department to develop a proactive programme and a reactive capability. This included the formation of the Tourist Victim Support Programme. The Tourists in Distress campaign was developed and launched by the Minister in December 2004. The main aim of the Tourists in Distress campaign was to establish response procedures and lines of communication between protection services and the tourism authorities, and to provide protocol and guidelines for minimising the negative impact of any tourist-related incident. The Tourists in Distress campaign managed over 55 incidents over the festive season, the majority of which were cases of robbery. Unfortunately, a few serious cases were reported, which received adverse publicity. The unit played a proactive role in providing support in each instance.

The Tourism Road Signage Framework has been widely accepted and its recommendations are currently being implemented by the RTLCs throughout the Province. However, problems are encountered with the implementation of tourism road signage in that it is governed by the SARTSM (South African Roads Traffic Signs Manual), which is the technical and legal framework for implementation of tourism road signage. The manual urgently needs to be updated to include the latest developments in the tourism sector, particularly with regard to growth and development.

Overview of organisational environment

Sub-programme 3.1: Tourism Development

Tourism Development experienced budget constraints in terms of the implementation of the Integrated Development Framework (ITDF), which is a 10-year development plan for tourism in the Western Cape. The available budget is much less than the actual budget needed for implementing the ITDF and the sub-programme's ability to deliver on the implementation of all projects is impeded. A general increase in tourism development's budget is required in order to ensure fuller delivery on its mandate.

Continuous restructuring exercises challenged the sub-programme's ability to ensure uniform delivery on the ground.

Sub-programme 3.2: Tourism Regulation

Considerable effort has been made to introduce an efficient system for the timeous processing of payments and the issuing of tourist guide cards and badges.

Staffing capacity with regard to fulfilling the basic operational requirements of tourist guide registration and policing the industry is being addressed. Restructuring exercises challenged the sub-programme's ability to implement a cohesive approach to consistent delivery.

Measurable objectives

Sub-programme 3.1: Tourism Development

Tourism Development provides the framework for the geographic and demographic distribution of tourism benefits, and has the following main objectives:

- To facilitate the implementation of the Integrated Tourism Development Framework (ITDF).
- To develop and implement a community tourism programme.
- To develop and implement a tourism enterprise programme.
- To ensure effective institutional arrangements with partners in the industry.

Sub-programme 3.2: Tourism Regulation

Tourism Regulation provides a regulatory framework, by ensuring a fair, predictable and regulated tourism business environment, and has the following main objectives:

- Registration of tourist guides.
- Promotion of tourism safety and security.
- Overseeing and promotion of effective implementation of tourism road signage.

Service delivery objectives and indicators

Sub-programme 3.1: Tourism Development

Progress in the development of the ITDF:

- Cederberg Gateway: development plans have been completed and negotiations with a private sector partner are underway.
- Northern Gateway: a business plan and a feasibility study have been completed, and the project has been shortlisted by DEAT to receive a possible R2,4 million grant for infrastructure development.
- Eastern Gateway: this is a joint initiative between the Department, CTRU and the Eastern Cape Tourism Authority. The Department is in the process of identifying a suitable location for the establishment of the gateway in the Storms River Area.
- Cape Flats Development Framework: a consultant has been appointed to develop a plan for the Cape Flats area and a final report is due by the end of July 2005. An amount of R400 000 is being spent on this initiative and there is no doubt that this will have a huge impact on tourism traffic distribution in the region.
- Route 62: funding was made available to conduct an economic impact assessment and a final report is expected by September 2005.
- Cape Agulhas: the final business plan and feasibility study have been completed. The Department is in the process of finalising the precinct plan for the southernmost tip of Africa.

Progress in the area of Tourism Enterprise Development:

- 2004 saw the launch of the first full-scale Tourism Business Training Programme offered in each of the six regions of the Province. The Programme included tourism awareness sessions; beginners' one-day sessions; and intermediate and advanced 6-month programmes.
- The Cape Tourism Showcase (in its third year of operation) was successfully held in co-operation with all the Tourism Business Forum partners, and provided market access for tourism businesses in the infancy stage. The Showcase adopted the theme "Learning in Tourism" as it coincided with the Learning Cape Festival. There were 114 SMMEs represented with over 30 000 visitors passing through the doors over a three-day period.

ACCESS TO THE CAPE (Tourism Community Development)

More than 2 100 learners experienced firsthand the major tourist attractions of the Western Cape through the Access to the Cape campaign. This initiative sponsored jointly by the Department and Cape Town Routes Unlimited (CTRU) is a recognition that affordability, accessibility and sometimes lack of awareness of what the Western Cape has to offer are still issues that plague specifically the historically disadvantaged population.

Access to the Cape was established to celebrate 10 years of Democracy, and to become an annual programme focused on making the tourist attractions of the Western Cape accessible to all who live in the Province. The campaign is partnered with Table Mountain Aerial Cableway Company, Two Oceans Aquarium, the Cango Caves, Cango Wildlife Ranch, Wilgewandel Holiday Farm and Knysna Waterfront Ferries, West Coast Fossil Park, Hermanus Whale Festival Association, and Spur Steak Ranches.

A separate Tourism Schools' Competition sponsored by CTRU and the Airports Company SA invites youth to produce a radio script on tourism. Learners from Overberg High School in Caledon were awarded second place. In September they joined other learners and teachers to enjoy the sites and sounds of Cape Town, courtesy of Access to the Cape. (See photo below.)





Sheraaz Ismail (Project Manager: Community Based Programmes) is flanked by graduates, Nelisa Zigana and Yumna Osman, after they received their diplomas on 21 April 2005.

Provincial Tourism Bursary Fund

In February 2002 the Department of Economic Development and Tourism in partnership with the Cape Peninsula University of Technology established a pilot Tourism Bursary Fund. Four full-time bursaries were awarded to historically disadvantaged students studying Tourism Management, Food and Beverage Management, Hospitality Management and Food and Consumer Science.

During their three years of academic studies, the students excelled and managed to secure more than 15 distinctions between them. One of the students presented South Africa at an International Cook-off competition held in Mauritius and secured a second place in the overall competition.

Tourism Industry Development is proud to announce that on Thursday, 21 April 2005, all four full-time students are expected to graduate in their various National Diplomas. All four students have gained formal employment within the Tourism Industry.

Due to the success of the pilot programme, the Department has launched another three-year programme with the Cape Peninsula University of Technology where bursaries will be awarded to historically disadvantaged students studying in the field of Tourism.



Participants at the Youth in Tourism INDABA.

YOUTH TOURISM INDABA

Youth have something to say about everything, and rightly so. Recognising the value of their inputs, MEC Lynne Brown hosted the Province's first ever Youth in Tourism INDABA at the Belmont Square Conference Centre in Rondebosch, Cape Town last October to engage youth with government and the private sector. More than 250 youth from across the Province attended this vibrant and energetic event to discuss and debate transformation of the industry, career opportunities, entrepreneurship, and government support programmes.

MEC Brown awarded certificates of recognition to 14 youth for their outstanding contribution to the tourism industry.

The INDABA proved so successful that it will now become part of the Department's annual events calendar.

- The Tourism Mentorship Programme was offered for the second time, yielding a group of 12 triple-A black-owned tourism businesses which have broken into the mainstream of the tourism industry.
- All these programmes were accessed through the Department's extensive network of entrepreneurship support agents or Tourism Help Desks (THDs), which exist in nearly every municipality of the Province. The THDs received ongoing training as part of the Department's tourism education network.
- The 2004/05 financial year saw the successful launch of the ITESP programme, geared towards providing support to relevant tourism SMMEs and employing a network of agents to assist with market access for these SMMEs.

The following tourism community development projects were implemented in 2004:

- Access to the Cape was launched in partnership with CTRU and a host of private sector partners. Its aim was to create opportunities for marginalised communities to explore and experience major tourism attractions in the Western Cape and the focus was on providing youth, senior citizens and other stakeholders with access to the Western Cape's attractions. It allowed HDIs increased access to the industry and created platforms for engaging with new consumers.
- Five students from historically disadvantaged communities were accepted into the Provincial Tourism Bursary Fund, which promotes access to the wine and tourism fields of study for undergraduate students.
- The Youth Tourism INDABA gave an opportunity for approximately 300 youth to interact with the Department on pertinent tourism issues.
- The Department provided financial and strategic support to more than 17 community tourism development projects throughout the Western Cape.
- The first labour market analysis in preparation for a human resource development framework for tourism was undertaken.

Sub-programme 3.2: Tourism Regulation

Progress in the area of improving the operations of Tourist Guide Registration included:

- The system of processing tourist guide registrations has been significantly improved. The office has successfully moved from a situation of heavy backlogs to one of significantly improved turnaround times in processing registrations and the delivery of identity cards and badges.
- Time-frames for producing ID cards have been reduced from one month to one day, as identity cards are now internally processed. In addition, and as a result of appointing a new service provider, the turnaround time for obtaining a tourist guide badge has been reduced from approximately one month, to one week. Industry feedback indicates that these measures have improved efficiency of service delivery.
- A new payments process has been implemented, with the Cashier now located in the same office as the Tourist Guide Registration Office. Also, the Cashier's office hours have been extended; regular reconciliations are conducted; and staff provide weekly and monthly reports, which are both qualitative and quantitative in nature.
- Regular registration statistics are submitted to the National Registrar (DEAT).
- Meetings held with the National Registrar and the Provincial Registrars indicate that there is a common goal to align all nine provinces in a common tourism strategy.

Progress in the areas of Tourism Safety and Signage is reflected in the implementation of the Tourist Victim Support Programme and the implementation of the Provincial Tourism Road Signage Framework.

Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Development	Implementation of Cape Agulhas Framework	Projects from Framework implemented.	Attracting potential partners and investors to projects.	Partners involved in the initiative are SANPARKS, Development Bank of Southern Africa (DBSA), Agulhas Municipality, Theron Family Trust, Cape Town Routes Unlimited (CTRU), Agulhas Bio-Sphere Initiative and the Overberg Regional Tourism Organisation. SET PLAN has been appointed by SANPARKS to establish the Development Plan for the southernmost tip of Africa. The Department is also represented on the steering committee responsible for the project.
	Implementation of Cape Flats Tourism Development Framework	Projects from Framework implemented.		The Department has identified a need to co-ordinate the efforts of all the organisations that have primarily been involved in promoting cultural heritage tourism in the Province. African Equations and Birthright Projects have been appointed to develop a plan that will contribute to a set of cultural heritage tourism projects. The study will explore the cultural and heritage potential of the Cape Flats. The development plan will be supported and consolidated with other tourism initiatives in the Cape Flats area. The final report is due by the end of July 2005.
	Implementation of plans for Northern Gateway	Northern Gateway established.	Building operations begin.	The Department of Environmental Affairs and Tourism (DEAT) appointed Annix Trading to complete a feasibility study and business plan that was submitted for possible Poverty Relief Funding. DEAT has indicated that the project has been shortlisted to receive a possible R2.4 million grant. The Department participates in the Provincial Gateways' task team, which consist of CTRU, the various district municipalities, and all the Regional Tourism Organisations. Meetings are convened on a monthly basis.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Development	Development and implementation of frameworks and projects in other nodes of the ITDF.	Frameworks developed for all nodes.	Frameworks developed in all 4 nodes.	<ul style="list-style-type: none"> R100,000 was transferred to the Eden District Municipality for infrastructure development at the Robberg Nature Reserve. The site has been identified by the ITDF as one of the 11 Tourism Development Areas. Funding has been used for the upgrading of the interpretation centre and the recreational area. R150,000 has been transferred to the Cape Winelands District Municipality for development plans for Route 62 and the Freedom Route. The Department, CTRU, Eden District Municipality, and the Eastern Cape Tourism Authority have been in negotiations with Total SA regarding the development of the Eastern Gateway at the Storms River Bridge. Total SA is in the process of renovating their existing site and at this stage can only offer 52 square metres for the Gateway Centre, which is inadequate. The Provincial gateway task team is investigating other opportunities and possible avenues.
	Integration of ITDF into IDPs and tourism-related plans of provincial and local government departments and other agencies, including the setting up of a forum.	ITDF adopted in all IDPs and tourism-related plans of national and provincial government.	Plans adopted in IDPs.	<ul style="list-style-type: none"> At local level, the ITDF is fully supported by district and local municipalities. Many municipalities have included some of the ITDF recommendations in their IDPs and have made financial and human resources available to assist with the realisation of the initiatives. DEAT has shown its commitment to the ITDF process by shortlisting two of the Department's projects for possible funding. CTRU and the DBSA have also made substantial financial contributions to the realisation of the ITDF. It is envisaged that the Provincial Gateway task team will become the forum to plan and implement the ITDF initiatives.
			Plans reviewed.	Ongoing

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Development	Development and implementation of integrated entrepreneurship support model.	Integrated support model piloted, evaluated and rolled-out.	Pilot model rolled out for implementation, based on feasibility.	<ul style="list-style-type: none"> • Successful pilot completed. Six SMMEs benefited from the programme. • Programme evaluated and full roll-out followed. • R10 million allocated to the programme over three years.
	Development of catalyst fund.	Catalyst fund fully developed and operational.	Pilot fund implemented as a first step.	It was decided to apply the resources of the catalyst fund to the development of the ITESP programme.
	Implementation of Tourism Help Desk Model.	Tourism Help Desks (THDs) fully functional.	Programme maintained and sustained.	<ul style="list-style-type: none"> • 38 THDs are fully functional and spread throughout the Province. • The THDs attend quarterly THD forum meetings; receive quarterly THD Newsletters, and receive ongoing training. • The THDs are integral to the implementation of the Tourism Business Development Programmes. • The THDs are being included as part of the RED Door Initiative.
	Partnership with other stakeholders and industry-wide debate.	Relationships with partners and stakeholders beneficial for all parties.	Regular formal programme developed and maintained.	<ul style="list-style-type: none"> • Tourism Business Forum established. • Regular monthly meetings, chaired by the Department, are held to discuss strategic issues in Tourism Business Development. • Tourism Business Forum newsletter published bi-annually. • A number of programmes have been developed and have succeeded as a result of this partnership, including The Tourism Mentorship Programme and the Cape Tourism Showcase.
	Monitoring and evaluation programme.	Dialogue and summit on empowerment in the industry. M & E fully implemented.	System review.	Due to the uncertainty of available funds, this programme was halted in April 2004 and reinstated in November 2004. The Tourism Development Consortium has been appointed to develop the M & E system.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Development	Cape Tourism Showcase	Increased number of businesses receiving exposure from the showcase. Proper monitoring and evaluation system in place.	Successful showcase linked to other shows held at the CTICC.	The Cape Tourism Showcase was successfully held for the third time in 2004 with 114 businesses able to gain access to the market. The full potential of the Cape Town Tourism Showcase will be explored as part of a 3-year expansion plan to host it as an independent show during the 2005 – 2007 period.
	Implementation of mentorship model.	Increased profit for businesses participating in mentorship programme. Programme rolled out to include start-ups.	Programme expanded to include regions.	The Tourism Mentorship Programme has grown in the number of businesses assisted, and in the geographic spread of the programme. In addition, the Tourism Mentorship Programme has been refined through lessons learnt from the 2003 pilot programme. After approximately seven months of one-to-one mentorship in 2004, each of the 12 participating entrepreneurs have shown a marked improvement in their own processes.
	Promotion of BEE.	Increased number of black businesses fully operational in the sector.	BEE directory fully developed.	The Department participated fully in the development of a national BEE charter and scorecard for tourism. The draft was launched in the 2004/05 financial year and the final document will be launched in the 2005/06 financial year at the Tourism INDABA during the month of May 2005.
		Sector fully educated on BEE.		
		Increased awareness of BEE companies with regard to tourism opportunities.	Increased utilisation of black business by both the private and public sectors.	
	Implementation of community tourism projects.	Fully implemented community projects, in line with the ITDF.	Establish formal linkages between community-based projects and entrepreneurship.	The Department is committed to providing strategic support to a number of community based projects throughout the Province on an ongoing basis. Community-based organisations are assisted to leverage funding from other sources and to make use of various entrepreneurship support programmes, for example, the RED Door initiative, THDs and the ITESP programme.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Development	Implementation of schools' awareness programmes.	Fully implemented tourism awareness programmes at schools.	Schools' programme implemented in all six regions of the Province.	This was discussed under the transfer payment made to CTRU (Schools' Competition).
	Implementation of community tourism awareness programme.	Implementation of community tourism awareness programmes.	Implementation of pilot in line with the ITDF.	This was discussed under the transfer payments made to CTRU (Access to the Cape).
	Poverty relief and LED projects.	Implementation of poverty relief projects and LED tourism projects, in line with the ITDF.	Ongoing maintenance and support.	Intervention in the Beaufort West Arts and Culture Centre to provide skills training to crafters.
	Development of partnerships with education, labour, THETA, educational training institutions and service providers.	Structured relationships with education, labour, THETA, educational training institutions and service providers.	Establishment of formal forums to facilitate discussion.	Formal partnerships established with the Department of Education, Cape Peninsula University of Technology, and Stellenbosch University (the tourism schools' competition, a provincial tourism bursary fund, and a wine technology bursary fund).
			Ensure co-ordination between employers, training institutions, and marketing organisations.	HRD labour market analysis completed; this will be used as a basis for tourism HRD co-ordination in the forthcoming financial year.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Development	Implementing a scarce skills strategy.	Human resources equipped to service needs of the growing tourism industry. Tourism bursary fund in place.	Matching scarce skills in ITDF nodes to needs in the tourism industry.	HRD labour market analysis conducted, which will be used as a basis for matching scarce skills.
			Bursaries funded on this basis.	Provincial Tourism Bursary Fund in co-operation with Cape Peninsula University of Technology.
	Western Cape Destination Marketing Organisation trading as Cape Town Routes Unlimited (CTRU).	CTRU fully established, operational, maintained and sustained.	CTRU fully operational, maintained and sustained.	Provincial Wine Technology Bursary fund in co-operation with Stellenbosch University. An amount of R20,532 million was transferred to CTRU. This transfer was discussed under the transfer payments in Section 2.5.3 of the Annual Report.
	Cape Craft and Design Institute (CCDI).	CCDI fully operational in all the regions of the Province.	CCDI programmes expanded to six regions of the Province, in line with the ITDF.	An amount of R250,000 was transferred to CCDI to cover operational costs.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Regulation	Specialised market-related training of tourist guides.	Implementation of training of tourist guides in niche markets, for example, flowers, rock art, whale watching, wines, etc.	Implementa- tion of aspects of the plan, in line with the ITDF.	Targeted tourist guide training conducted in partnership with the Cape Peninsula University of Technology.
	Transformation and empowerment within the tourist guiding industry.	Training and mentoring of HDI tourist guides.	Increased number of HDI tourist guides in the industry.	Tourist Guide training and mentorship programme sponsored by the Department and conducted by the Cape Peninsula University of Technology. As a result of the success of the programme in 2004, a second training programme will be conducted in 2005. The total number of HDI tourist guides registered in the Western Cape are currently: Black: 98 Coloured: 329
		Training and upskilling of existing HDI tourist guides in the tourist guiding industry.	Creating sustainable employment opportunities for HDI tourist guides in the industry.	French language training – An initiative with DEAT's National Registrar's office and the Alliance Française to upskill existing HDI tourist guides by providing them with foreign language training. 32 HDI tourist guides from the Western Cape are participating in the language training.
		On-going capacity building and communication with tourist guides.	Transforma- tion of a white- dominated tourist guiding industry.	Provided financial and other support for a successful 2-day conference on Transformation within the tourist guiding industry in the Western Cape.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Regulation	Promote and develop the tourist guiding industry.	Launch of a National Federation of Tourist Guides and a subsequent launch of the Western Cape of Tourist Guides Federation.	Develop the tourist guiding industry by creating a single, unified national and provincial voice to represent the interests of tourist guides with whom government can liaise.	Western Cape instrumental in assisting and supporting the launch of the National Federation of Tourist Guide Associations (NFTGSA) in Soweto in March 2005. Western Cape to continue with workshops with industry stakeholders, in order to launch the Western Cape Federation of Tourist Guide Associations.
	Registration of tourist guides.	Training and mentoring of 22 HDI tourist guides. Increased number of registered tourist guides, especially HDI tourist guides, in line with market demand.	The number of registered tourist guides with access to the market should grow by 20%.	Total number of registered tourist guides (including registered and re-registered) on database: 2 014 as at 31 March 2005.
		Maintain database of tourist guide information.	Accurate and updated database of tourist guide information.	Web-based database of daily updated and accurate information of all registered tourist guides in the Province is available on the Cape Gateway website. < http://www.capegateway.gov.za >
	Disseminate information to tourist guides to promote and develop the sector.	Newsletters and other relevant information distributed to tourist guides.	Four newsletters per annum and updated, relevant information.	Four newsletters distributed in 2004/05 to registered tourist guides via e-mail, post, and on the web-based tourist guide database for broader industry access.
	Provincial Tourist Guide Awards.	Hosting of an Annual Competition to select the Best Tourist Guide of the Year in the Western Cape.	Appointment of the Winner of the best Tourist Guide of the Year Competition for 2004.	Best Tourist Guide of the Year for 2004 announced. Western Cape Tourist Guide of the Year also selected as the Best Tourist Guide of the Year in South Africa in 2004.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Regulation	Illegal Guiding and Misconduct.	Create awareness around the negative effects of illegal tourist guides in the industry and the importance of utilising registered tourist guides.	Decrease in the number of illegal tourist guides and tourist guides guilty of misconduct.	Launch of an illegal guiding awareness pamphlet in the Western Cape.
	Promote tourism safety and security.	Develop proactive awareness programmes for key role-players and stakeholders.	Implementation of effective awareness programme.	Tourism Safety and Security brochures distributed province-wide to all key stakeholders.
	Establish reactive tourism safety and security capability.	Establishment of Tourism Safety and Security unit within defined procedures and operational mechanisms.	Tourism safety infrastructure in place and replication at local level.	Development and implementation of the Tourists in Distress campaign for the 2004/05 festive season. Successful handling of 55 incidents involving tourists over the festive season.
		Development of programme and appointment of co-ordinator.		
	Tourism safety and security database.	Identify key role-players and stakeholders.	Draft schedule.	Ongoing maintenance and updating of database.
	Tourism safety and security major events planning.	Draft emergency planning for major events.	World Cup Soccer 2010 Tourism Safety and Security planning.	Attended World Cup Soccer 2010 Safety and Security Conference.
	Oversee and promote implementation of tourism signage.	RTLCS fully operational; with communication with and training of local government, and implementation in two pilot areas.	Formation of 5 RTLCS.	Facilitation and maintenance of 5 RTLCS and steering committees.

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Tourism Regulation	Tourism route pilot projects.	Manufacture and erection of tourism road signs on Route 62 and the West Coast pilot projects.	Marketing and branding of routes.	Infrastructure for Route 62 (Phase 1), and West Coast route completed.
	Tourism Route (other) projects.	Manufacture and erection of tourism road signs in Hops and Eden Country Districts.	Marketing and branding of routes.	Infrastructure for Hops Country District and Eden Country District routes completed.
	Tourism route development.	Area audits, branding and marketing.	Development of a route connection plan to link all routes.	Overberg and West Coast projects.
	Cape to Namibia tourism route.	Planning, liaison and networking.	Comprehensive tourism road signage.	Facilitating tourism road signage requirements.
	Tourism gateway development.	Northern (Beaufort West), Western (van Rhynsdorp), Eastern (Tsitsikamma) gateway planning and development.	Signage development for gateways and information centres.	Consultation, liaison, network and planning meetings in progress.

Purpose

The aim of the iKapa eliHlumayo programme is to develop and refine a comprehensive and rigorous Micro-economic Development Strategy (MEDS) for the Province and to make interventions in the economy in order to achieve significant growth, create employment, change ownership patterns, promote participation by all in the economy, promote equity, reduce poverty, and improve the quality of life of all citizens.

The programme is structured as follows:

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

Service delivery environment

The Department is not yet at the implementation stage of interventions emanating from the MEDS, hence comment on key outputs relating to services rendered directly to the public cannot be made at this stage. The MEDS is at the final stage of collecting evidence of the State of the Province reports in 14 sectors and 4 themes. An analysis of this evidence will inform the Province in identifying and prioritising key growth sectors on the basis of employment and growth considerations.

A number of initiatives and interventions are envisaged which will impact directly on various communities. These will also be aligned to the IDPs of the local government departments. An example of a typical intervention could be: high-tech skills development in the manufacture industries, which will lead to the development of new SMMEs; significant and sustainable job creation; the inclusion of marginalised communities into previously exclusive industries; and the repositioning of industries towards global competitiveness.

Overview of organisational environment

The programme does not have any dedicated staff component at present. For the 2004/05 fiscal year, the staffing requirement was essentially sourced from within the Department. The MEDS programme primarily required the deployment of external consultants in the development of the MEDS research papers.

The Department's restructuring efforts can be described as a significant internal development to the programme. For example, a significant impact of the MEDS is the requirement of co-operative and integrative governance, strategies, and interventions; which will lead to the restructuring of various sector-based units in the Department.

Measurable objectives

The Programme's measurable objectives relate primarily to the development of an all-inclusive Micro-economic Development Strategy (MEDS) and the investment in interventions as identified through the MEDS that would provide substance to the vision of the iKapa eliHlumayo strategy.

Service delivery objectives and indicators

The delivery objectives and indicators within the Programme relate primarily to the research, development and implementation of the MEDS.

Thus far, the first phase of research into the Western Cape's economy, and the compilation of the Western Cape's first Micro-economic Development Strategy (MEDS) Preliminary Synthesis Report have been completed. These achievements can be seen as the building blocks on which all strategies within the Western Cape will be developed. The actual interventions that will be implemented will lead to measurable indicators such as job creation, assistance to SMMEs and access to finance by SMMEs. The achievement of targets will invariably contribute towards achieving iKapa eliHlumayo's outcomes, which will impact on the strategic priorities of government.

Service delivery achievements

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Micro-Economic Development Strategy (MEDS)	In accordance with the broad goals of iKapa eliHlumayo and the specific targets set in terms of the PGDS Framework Agreement.	Develop strategic plan 6 months into the 2004/05 financial year.	End December 2004	<p>The 1st phase of the Micro-economic Development Strategy (MEDS) process commenced in August 2004 and was concluded in December 2004. This process, during which research was conducted in 6 sectors and 2 themes, produced a MEDS Preliminary Synthesis report. The Preliminary Synthesis report situates the 8 sector and theme research reports within a broader micro-economic development context and recommends interventions per sector and theme.</p> <p>The 2nd phase of the MEDS commenced in January 2005. Research findings of 8 additional sectors and 2 themes in the economy will be finalised to provide a comprehensive set of key interventions for all the sectors and themes researched in both the 1st and 2nd phases of the MEDS. The key interventions will be implemented in order of priority.</p>

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
Micro-Economic Development Strategy (MEDS)	In accordance with the broad goals of iKapa eliHlumayo and the specific targets set in terms of the PGDS Framework Agreement.	Monitoring and Evaluation system.	None set.	<p>In the deployment of external consultants in the development of the MEDS, the research process had narrow time-frames and high demands on quality data and optimal interventions. This required an evolving monitoring system to ensure a high quality of delivery.</p> <p>A Scientific Committee, comprising qualified and experienced supervisors in economic research, monitored the overall quality of the research process of the 1st phase of the MEDS research. Individual research papers were scrutinised and interrogated by a broader forum (Extended Scientific Committee) represented by officials from various provincial departments.</p> <p>A government respondent was nominated for each sector. Government respondents were tasked to ensure that the research was aligned with government priorities and strategies.</p> <p>During the 2nd phase of the MEDS, a Chief Economist was appointed who, together with an established Oversight Committee, monitored the overall quality of the MEDS research process. The MEDS Preliminary Synthesis report was presented to the Cabinet Lekgotla in February 2005.</p> <p>Consultative presentations will be held with the Standing Committee, the Provincial Development Council (PDC), business, relevant parastatals, NGOs, and the public in the next financial year.</p>
		Benchmarks as baseline to measure the impact.	None set.	<p>Implementation of prioritised interventions in the identified sectors will be measured in terms of impact on the Western Cape's economy. Measurement of impact evaluation will be detailed in the next financial year, once the key interventions have been prioritised.</p>

Sub-programmes	Outputs	Output performance measures/service delivery indicators	Actual performance against target	
			Target	Actual
iKapa eliHlumayo Economic Stimulation Programme	To invest funds in strategic development interventions in order to attain employment generation and per capita income growth through specific projects.	Interventions as identified by research and partners, IDPs and the PGDS outcomes.	None set.	R2,258 million was transferred to various institutions to stimulate cross-sectoral initiatives. Recipients of the funds were: <ul style="list-style-type: none"> • South African Labour Research Institute (SALRI) • Tooling Association of South Africa (TASA) • WESGRO • Cape Film Commission • National SMME Fishing Forum • Cape Town Peace Plan • Cape Africa Platform • Cape Craft and Design Institute (CCDI)



PROVINCIAL GOVERNMENT WESTERN CAPE

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM (VOTE 13)

SHARED AUDIT COMMITTEE REPORT FOR THE FINANCIAL YEAR ENDING 31 MARCH 2005

We are pleased to present our report for the above-mentioned financial year.

Appointment of the Shared Audit Committee

The Department of Economic Development and Tourism (Vote 13) is served by a Shared Audit Committee appointed under Cabinet Resolution 75/2003 of 23 June 2003 for the 2 year period to 31 March 2005 extended by Resolution 95/2005 for 2 more years to 31 March 2007.

Audit Committee Members and Attendance:

The Shared Audit Committee members attended meetings during the financial year under review, in terms of their adopted Audit Charter, as indicated below:

Member	Number of Meetings Attended
Mr J.A. Jarvis (Chairperson)	5
Mr J. January	5
Mr V.W. Sikobi (resigned May 2005)	1
Mr R. Warley	4
Mr. P. Jones (appointed April 2005)	0

Audit Committee Responsibility

The Audit Committee has complied with its responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13 and 27(1) (10). The Audit Committee has also regulated its affairs and discharged its responsibilities in terms of the Audit Committee Charter. However it did not address internal audit issues as envisaged in its Charter and the PFMA, due to the suspension of Internal Audit activity in 2003 (Provincial Treasury Circular No. 25/2003).

Effectiveness of Internal Control

In 2004 the Sihluma Sonke Consortium was appointed to develop and transfer internal audit skills to the Provincial Government over a three-year period.

The assessment of Internal Controls by Internal Audit was suspended in 2003 and the Operational Audit Plan was rescheduled to commence in 2005/6, following completion of the Risk Assessment and Process and Control Mapping exercises.

In view of the above the Audit Committee has had to rely on the opinions and work done by the Auditor General in preparing this report.

The Audit Committee noted that it is not possible for the Department to reconcile Liquor Licence Income with amounts paid over by SARS at this stage. The Departmental Fraud Prevention Plan was neither fully developed nor enforced at year-end.

The Audit Committee resolved to meet with the Accounting Officer to agree on a course of action to address weaknesses and deficiencies that were emphasized by the Auditor General.

During the year under review the Audit Committee has promoted better communication and exchange of information between the Forensic Audit, Internal Control units, Internal Audit, and the Office of the Auditor General.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed with the Auditor General and the Accounting Officer (or his/her representative) the audited annual financial statements to be included in the annual report;
- Reviewed the Auditor General's management letters and the responses thereto;
- Reviewed significant adjustments resulting from the audit.
- Reviewed the Auditor General's report.

The Audit Committee concurs and accepts the Audit Opinion of the Auditor General on the Annual Financial Statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General.

Appreciation

The Audit Committee wishes to express its appreciation to the Provincial Treasury, Officials of the Department, the Auditor General and the Sihluma Sonke Consortium for their assistance and co-operation in compiling this report.



J.A. JARVIS
Chairperson of the Shared Audit Committee
Date: 4 August 2005



ANNUAL FINANCIAL STATEMENT

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4.1 Management report

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND THE MEMBERS OF THE WESTERN CAPE PROVINCIAL PARLIAMENT.

4.1.1 General review of the state of affairs

After a comprehensive review of the work and impact of the Department and its related public entities, the management of the Department came to the following conclusions:

- The challenges of the economic development of the Province are many and large. Foremost amongst these are:
 - the need to migrate all those currently living in the second economy to full and effective participation in the first economy; and
 - the need to ensure that the provincial economy is able to hold its own and move forward with agility in the ever-integrating global economy.
- While there was a valiant attempt being made to address the challenges, there was a significant mismatch between the resources (both human and financial) required to meet the challenges, and the resources already provided to the Department.
- The role and orientation of the Department needed to be reviewed fundamentally.

In the light of the above, the Department undertook a detailed and thorough review of its mandate, its objectives, its orientation, its strategies and its structure.

The following questions were asked:

- What is the optimal role of a provincial department of economic development anywhere in the world?
- What is the expected role of a provincial department of economic development in South Africa and what are the particular circumstances of the Western Cape that could give further dimension to this role?

The work of the Department was examined by asking the following questions:

- What is it that we are doing now which we no longer need to do?
- What is it that we are doing now that we need to do differently?
- What is it that we are not doing now that we need to do?

What would the KPIs be which would indicate that we had made significant progress in the next ten years?

After a rigorous process, the Department answered the above questions by aligning its vision to the visions of the National Growth and Development Strategy (June 2003) and iKapa eliHlumayo. Essentially the vision of the Department is one of a shared, sustainable and growing, labour-absorbing and globally competitive economy, and is articulated in what the economy of the Western Cape must look like in 10 years' time and 25 years' time.

The Department's basic strategy is to intervene meaningfully to make significant, measurable and positive changes to the Western Cape economy and society. The Department's orientation is interventionist in order to address market failures and government delivery failures of the past.

The Department's basic approach to work is:

- To translate national policies, strategies, mandates, programmes and intentions into targeted interventions (projects, services and exercising influence) that have a meaningful impact "on the ground" across the Province.
- To manage the outsourcing of the labour-intensive interventions and to monitor and evaluate the impact of these on the ground.
- To engage directly in smaller-scale interventions; capital-intensive interventions; pioneering pilot projects (to build successful models which can be replicated on a larger scale); and to engage in the exercise of appropriate influence.
- To be a vehicle for delivery of appropriate direct services (which are within the competency of provincial governments) to economic citizens on the ground.

The key point of departure for playing such a role is a provincial Micro-economic Development Strategy (MEDS) that is located inextricably within a comprehensive Western Cape provincial socio-economic strategy, and outlines sector-specific and theme-specific strategies of the Department. The MEDS will expand and mature over the next two years to become the key authoritative point of departure for intervention by all social partners in the economy and be a reliable source of information and analysis for government, citizens, planners and investors. This will ensure that, with immediate effect, strategies are evidence-based and analysis-based, which was not the case previously.

The rationale for the reorganisation of the Department was to provide for sufficient and suitably qualified employees in order for the Department to deliver on its core mandate. The new structure for the Department of Economic Development was approved by the Premier, as mandated by the Provincial Cabinet, on 09 March 2005. Due to financial constraints the "ideal structure" which would provide for 256 posts had to be prioritised in a Phase 1 of Implementation. In Phase 1 of Implementation, only 203 posts have been provided for.

The Department was further faced with numerous policy and strategic issues during the period under review, which include the following:

By far the most important policy document that will inform the Provincial Strategy and Departmental activities is the Micro-economic Development Strategy (MEDS). Successes in the development of the MEDS for the past financial year include the completion of the first phase of the MEDS research and the development of the preliminary synthesis report in January 2005.

Delays in the approval of the White Paper on Liquor Licensing resulted in the Department not submitting draft Liquor Legislation to the Provincial Legislature. In anticipation of the approval of the Liquor Policy, the Department distributed a first draft of the Liquor Legislation to other Departments and stakeholders for comment. Subsequently, Provincial Parliament approved the White Paper on

Liquor Licensing on 16 March 2005.

An area in which the Department excelled was in the assistance provided to support SMMEs. The opening of 8 RED Door offices in Khayelitsha, Mitchell's Plain, Hermanus, George, Paarl, Atlantis, Beaufort West and Knysna during the period under review significantly assisted with the support given to SMME development.

The Department played a pivotal role in the management and organisation of the Learning Cape Festival. This festival had close to 500 different events spread across the Province and involved in excess of 100 organisations. An organisation with the role of facilitating the Learning Cape Festival called the Learning Cape Initiative was proposed. The Department played a major role in the process of establishing this organisation. The Learning Cape Festival is developing a career focus that links education and training with work, job and career opportunities. This is directly aligned to the Department's newly formed Workforce Development Unit, which includes skills mismatch, re-skilling and scarce skills as key areas of focus.

The Department took huge strides in limiting the damage that could be done by tourists who become the victims of crime while visiting our shores with the implementation of a Tourists in Distress Campaign. This campaign includes a Tourist Victim Support Programme that was launched over the summer holiday period of 2004/05. The programme aims to assist tourists who become victims of crime by providing assistance in the field of dealing with the South African Police Services, obtaining interpreters, providing accommodation and transport, etc.

Finally, the Department also facilitated the training of 20 mechanical engineering graduates (at least 50% of whom are residents in the Western Cape) in India in the specialised field of tool design and manufacture.

Expenditure

The Department's original budget allocation for the 2004/05 financial year was R118,328 million. This budget was divided into four programmes, namely Administration (R11,297 million), Enterprise Development (R71,305 million), Tourism (R31,301 million) and iKapa eliHlumayo (R4,425 million).

The main sources of income to capitalise this budget were from the equitable share (R114,648 million) and the Department's own revenue (R3,680 million).

During the adjustment estimate process for 2004, the Department was granted an additional allocation of R10 million for the rescue of Novel Garments SA.

R0,390 million from the Department's over-collection of revenue to support the Foetal Alcohol Syndrome project (FASfacts); and R0,2 million from roll-over funds.

An amount of R2,382 million was also shifted to Vote 9: Environmental Affairs and Development Planning as the Ministry responsible for Tourism in the Western Cape was shifted and included in the Ministry responsible for Finance and Economic Development in Vote 3: Provincial Treasury. This resulted in an overall additional allocation of R8,208 million during the Adjustment Estimate process.

The Department effected an overall saving of R0,097 million for the 2004/05 financial year.

Revenue

The Department budgeted an amount of R3,680 million for Departmental revenue in the 2004/05 financial year. This amount was to be collected from the following sources:

- Liquor Licences (R3,420 million)
- Tourist Guide Registration (R0,260 million)

The 2004/05 financial year has seen an overall over-collection of revenue originally budgeted, by an amount of R2,257 million. This was primarily due to the efficiencies in the collection ability of the South African Revenue Services (SARS), which is the collection agent as stipulated in the Liquor Act, 1989, with regard to liquor licences.

4.1.2 Services rendered by the Department

The services rendered by the Department include the following:

- The registration of Tourist Guides
- The issuing of Liquor Licences

All tariffs are reflected in the Provincial Treasury approved tariff register, which was implemented on 01 August 2002 and revised on an annual basis or as legislation may determine.

4.1.3 Capacity constraints

The Department's reorganisation addressed the significant mismatch between resources (both human and financial) required and those resources which were already provided to the Department.

The restructuring process caused delays in the 2nd and 3rd quarters of the financial year, as all programmes provided by the Department were re-evaluated to ensure compliance with the revised vision and structure of the Department.

4.1.4 Utilisation of donor funds

Donor Funding was not received in the 2004/05 financial year.

4.1.5 Trading entities and public entities

The Department has three Public Entities that report to it in terms of section 47(1) of the Public Finance Management Act, 1999 (Act 1 of 1999). These are:

- Western Cape Investment and Trade Promotion Agency (WESGRO)
- The Destination Marketing Organisation (trading as Cape Town Routes Unlimited)
- The Western Cape Liquor Board

Western Cape Investment and Trade Promotion Agency (WESGRO)

WESGRO was established in terms of the Western Cape Investment and Trade Promotion Law, 1996 (Act 3 of 1996). The major objective of the agency is to promote investment in and trade with the Western Cape.

An amount of R31,2 million was transferred to WESGRO in the 2004/05 financial year. This represents an increase of 318% when compared to the 2003/04 financial year.

An amount of R6 million was appropriated to WESGRO for the 2004/05 financial year. This figure was later revised after the Adjustment Estimate process to R31,2 million. The additional allocations included funds for the Province's contribution to the construction of the Film Studio, payment in respect of the Novel Garments SA, and the Export and Development Programme.

Cape Town Routes Unlimited (CTRU)

The Destination Marketing Organisation trading as CTRU was established in terms of the Provincial Western Cape Tourism Act (Act 1 of 2004). The major objective of the CTRU is to promote the Western Cape and Cape Town as a premier tourist destination.

An amount of R20,032 million was appropriated in the 2004/05

financial year. The primary purpose of this allocation was to provide for the operational costs including salaries. This figure was later revised to R20,532 million to include projects identified by the Department.

The Western Cape Liquor Board

The Liquor Board is an in-house public entity responsible for the regulation of the retail and micro-manufacturing sectors in the liquor industry.

4.1.6 Organisations to whom transfer payments have been made

A list of transfers made to organisations is included in **Annexures 1C, 1D, 1E, 1F and 1H** of the Annual Financial Statements.

Most notable of these are the transfers to municipalities that amounted to R2,565 million. Primary among these transfers were:

- the allocations to District Municipalities that amounted to R1,1 million to assist with the establishment of Economic Development Units at district municipality level;
- the transfers to CASIDRA that amounted to R11,7 million to assist the Department in the establishment of the RED Door offices in the Western Cape and to capitalise on the ABSA fund to assist SMME development; and
- the transfers to CSIR that amounted to R5 million for the Rural Economic Development Fund.

4.1.7 Public private partnerships (PPPs)

PPPs were not undertaken by the Department.

WESGRO

The Western Cape has more than 400 new exporters in part because of WESGRO's Exporter Development Programme (EDP) launched in the second quarter of 2004 to educate smaller companies about exports, and to prepare them for entry into this market.

"The uptake of EDP has been a great success. When we initially introduced the programme, the aim was to train 200 companies in phase one during 2004. However, having rolled out the programme in most of the Western Cape's major towns, we have reached our target twice over in just twelve months," said Riefqah Jappie, trade economist at WESGRO.

Ms. Jappie said the next step was to launch the Exporter Mentoring Programming, which will assist small, micro and medium enterprises (SMMEs) to design and implement business strategies – including how to deal with a strong Rand – that would equip them to become confident global competitors in the export market through adopting a proactive approach.

WESGRO would also offer outward missions to target countries, trade fair participation, and provide relevant publications and access to targeted trade leads.

WESGRO's mandate from the Western Cape Provincial Government and the City of Cape Town is to grow the number of exporters by 800 within a three-year period. Given the 405 new exporters in 2004, WESGRO believes it will surpass this target as well.

Flush from its accomplishment of raising double its target foreign direct investment in the Western Cape through December 2004, WESGRO officials plan to continue the tempo by penetrating new markets as well as by improving marketing efforts in existing markets.

WESGRO raised R1,536 billion, R836 million more than its target of R700 million.

The investments raised include new investments in the Agency's priority sectors – manufacturing, resource-based industries and services – as well as expansion, facilitation and residential property investments.

The bulk of the funds were from new investments at R576 million (excluding new investments in residential property), followed by facilitation (R304 million), and expansions (R267 million). The breakdown of new investments leans heavily in the services sector at R449 million followed by manufacturing (R112 million) and resource-based industries (R15 million).

CTRU – visitor information centre

Since its inception in 2003, Cape Town Routes Unlimited (CTRU), the official marketing organisation for Cape Town and the Western Cape, has spent the past year giving impetus to the establishment of one-stop tourism gateways in each of the province's six regions.

CTRU's flagship Visitor Information Centre opened at the V & A Waterfront in early 2005. The placement of the centre at Cape Town's foremost tourist attraction that sees up to 22 million visitors a year is strategic in that it recognises that proper and easily accessible information is the best way to encourage tourists to explore more

broadly what the city and the rest of the Province has to offer. The Visitor Information Centre helps tourists with itinerary planning and accommodation booking. There is also the added feature of creating customised packages. The centre's Internet Café is equipped with the latest technology including wireless hotspots. Destination-branded apparel is available for purchase.



Bopping to the sounds of Cape Jazz at the opening of CTRU's Visitor Information Centre at the V & A Waterfront are Noki Dube, CEO of CTRU in the foreground. MEC Lynne Brown is next to her.

Noki Dube, CEO of CTRU says: "We want to give tourists information in a structured, consolidated format so that visitors are able to maximise their time in our Province and are able to make informed decisions about the experiences they desire."

"In line with our marketing plan, we intend to continue to shift the focus away from individual product marketing to embracing destination experiences such as Outdoor Active, Gourmet Delights, Exploring Culture and Heritage, Discovering your Health: Body Mind and Spirit and Amazing Golf."

The next Visitor Information Centres are slotted for Beaufort West, van Rhynsdorp and the Storms River Bridge.

4.1.8 Corporate governance arrangements

The National Treasury's Internal Audit Framework and Treasury Regulations determine the establishment of a risk-based approach to an Internal Audit. This approach is consistent with the requirements of the Public Finance Management Act, Act 1 of 1999, and the King II report.

A risk based approach requires that audit planning and associated fieldwork should ensure adequate coverage of all of the most significant risks, but also includes focusing on operational and strategic risks.

A key benefit of a risk-based approach to an internal audit is the ability to define a common approach to assurance incorporating a number of assurance role players. Within this context and as part of a three-year engagement with the Provincial Government of the Western Cape, the Sihluma Sonke Consortium has been tasked to conduct a comprehensive inherent risk assessment in the Department.

The comprehensive inherent risk assessment is in an advance stage and should be finalised in the 2005/06 financial year.

The office of the Chief Financial Officer issued a Financial Manual in line with the PFMA, Treasury Regulations and Provincial Treasury Instructions to establish efficient financial management and policy in the Department.

An Internal Control unit was introduced within the Department with the task to continuously monitor compliance with prescripts and post auditing of financial records.

For the financial year in review, the Internal Control component conducted compliance audits within the Financial Management and Human Resource Management sub-programmes. Reports on the findings and recommendations were submitted to management for evaluation. Corrective actions are being taken to address control deficiencies and improve the systems as identified.

The Department currently shares the centralised Audit Committee and Internal Audit unit of the Province.

4.1.9 Discontinued activities/activities to be discontinued

As stipulated above, the Department underwent a process of restructuring to best meet the demands facing the Western Cape economy. While much of the present functions of the Department needed to continue, there were significant missing elements in the structure and the manner in which functions were combined in the 2004/05 structure needed to be changed. A comprehensive re-organisation exercise was warranted.

The programmes Enterprise Development and Tourism were dismantled and realigned to new programmes within the Department. The iKapa eliHlumayo programme was also dismantled as it was noted that funds allocated to this programme would be better utilised within the "external delivery" programmes of the Department. The research functions of this programme were shifted to Programme 1: Administration as a separate sub-programme.

4.1.10 New/proposed activities

As of 01 April 2005, the new structure of the Department came into effect. A total of five programmes were established, namely: Administration, Economic Participation, Economic Stimulation, Fair Business Environment and Economic Sector Development.

The programme: Administration will be responsible for the overall management of the Department and will include the corporate services functions of Financial Management, Human Resource Management, Communications and Corporate Image Management, and Research Support and Impact Evaluation.

The programme: Economic Participation will be responsible for the promotion of enterprise development, local economic development and economic empowerment.

The programme: Economic Stimulation will be responsible for the development of a globally competitive environment and the sourcing of funds and resources to key projects in the Province.

The programme: Fair Business Environment will ensure that an equitable, socially responsible business environment exists within the Western Cape Province.

The final programme will be Economic Sector Development. The aim of this programme is to promote key industry sectors and to identify and implement strategic interventions that will assist in the strengthening of these sectors.

4.1.11 Events after the reporting date

No material facts or circumstances have occurred between the reporting date and the date of authorisation of issue of this report.

4.1.12 Performance information

Performance agreements have been prepared between the Executive Authority and the Accounting Officer and between the Accounting Officer and the Chief Financial Officer. Performance evaluation is conducted on a quarterly basis and is in line with the objectives of the strategic plan. An approved Strategic Plan for the period 2005/06 to 2007/08, with measurable objectives, was timeously tabled in the Provincial Legislature by the Executive Authority.

The Office of the Head of Department has implemented a management system whereby projects and interventions are monitored and evaluated on a regular basis. Senior management is required to report monthly on the progress of projects and interventions.

4.1.13 Other

The financial statements of the public entities; the Destination Marketing Organisation (DMO) trading as Cape Town Routes Unlimited (CTRU) and the Western Cape Investment and Trade Promotion Agency (WESGRO), do not form part of the Department's financial statements as the Accounting Authorities of the public entities will be compiling separate annual reports which will be tabled by the responsible Executive Authority.

Approval

The Annual Financial Statements as set out on pages 112 to 113 have been approved by the Accounting Officer responsible for Vote 13: Economic Development and Tourism.



BRENDON ROBERTS
ACCOUNTING OFFICER
31 May 2005

4.2 Report of the Auditor-General



REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL PARLIAMENT OF THE WESTERN CAPE ON THE FINANCIAL STATEMENTS OF VOTE 13 - THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM FOR THE YEAR ENDED 31 MARCH 2005

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 120 to 152, for the year ended 31 March 2005, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Department of Economic Development and Tourism at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No 1 of 1999).

4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

Liquor license income

During the audit it was identified that the department was unable to reconcile the income due in respect of registered liquor license holders with income collected by the South African Revenue Services (SARS) on behalf of the department, as SARS only pays

the money over in a lump sum and does not supply the department with a complete and detailed breakdown of the income recovered. In addition to the above, the department does not have a database of all liquor license holders.

4.2 Fraud Prevention Plan

In terms of section 3.2.1 of the National Treasury Regulations, the accounting officer of a department must facilitate a risk assessment to determine the material risks to which the institution may be exposed and to evaluate the strategy for managing these risks. Such a strategy must include a fraud prevention plan.

A "tailor made" Fraud Prevention Plan for the Department was, however, not developed, approved and enforced by management during the year under review.

5. APPRECIATION

The assistance rendered by the staff of the Department of Economic Development and Tourism during the audit is sincerely appreciated.

A handwritten signature in black ink, appearing to read 'W.J. Swart', is positioned above the printed name of the Auditor-General.

**W.J. Swart for Auditor-General
Cape Town
30/7/2005**

4.3 Statement of Accounting Policies for the year ended 31 March 2005

The Annual Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Annual Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice, have not been fully complied with in the Annual Financial Statements: GRAP 1, 2 and 3.

4.3.1 Basis of preparation

The Annual Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting, transactions and other events are recognised when incurred and not when cash is received or paid.

4.3.2 Revenue

Appropriated funds

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National/Provincial Expenditure. Unexpended voted funds are surrendered to the National/Provincial Revenue Fund, unless otherwise stated.

Departmental revenue

Tax revenue

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

Sale of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

Interest, dividends and rent on land

Interest and dividends received are recognised upon receipt of the funds, and no provision is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the Statement of Financial Performance of the Department and then transferred to the National/Provincial Revenue Fund. Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

Sale of capital assets

The proceeds from the sale of capital assets is recognised as revenue in the statement of financial performance on receipt of the funds.

Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is re-issued, the payment is made from Revenue.

Local and foreign aid assistance

Local and foreign aid assistance is recognised in the statement of financial performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using Local and Foreign aid assistance, a payable is raised. In the situation where the Department is allowed to retain surplus funds, these funds are shown as a reserve.

4.3.3 Expenditure

Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

Short-term employee benefits

The cost of short-term employee benefits is expensed in the Statement of Financial Performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation are disclosed as a disclosure note to the Annual Financial Statements and are not recognised in the Statement of Financial Performance.

Long-term employee benefits and other post employment benefits

Termination benefits

Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

Medical benefits

The Department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the Annual Financial Statements of the Department.

Post employment retirement benefits

The Department provides retirement benefits for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the Annual Financial Statements of the Department. Any potential liabilities are disclosed in the Annual Financial Statements of the National/Provincial Revenue Fund and not in the Annual Financial Statements of the employer Department.

Other employee benefits

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services was used on a capital project.

Interest and rent on land

Interest and rental payments resulting from the use of land are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

Financial transactions in assets and liabilities

Financial transactions in assets and liabilities include bad debts written-off. Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under-spending available to the Department. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

Unauthorised expenditure

Unauthorised expenditure is defined as:

- the overspending of a Vote or a main division within a Vote; or
- expenditure that was not made in accordance with the purpose of a Vote or, in the case of a main division, not in accordance with the purpose of the main division.

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is approved by the relevant authority, recovered or written-off as irrecoverable.

Irregular expenditure

Irregular expenditure is defined as expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act;
- the State Tender Board Act, or any regulations made in terms of this act; or
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the Statement of Financial Performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the Statement of Financial Position at year-end.

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined as expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore:

- it must be recovered from a responsible official (a debtor account should be raised); or
- the Vote. (If responsibility cannot be determined.)

Such expenditure is treated as a current asset in the Statement of Financial Position until such expenditure is recovered from the responsible official or written off as irrecoverable.

4.3.4 Transfers and subsidies

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

4.3.5 Expenditure for capital assets

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system.

4.3.6 Investments

Investments include: Investments in Associates; Joint ventures; Investments in controlled entities; and Other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the Statement of Financial Performance.

4.3.7 Receivables

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the Statement of Financial Position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the Statement of Financial Position as a current asset or as income in the Statement of Financial Performance, as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the Annual Financial Statements.

4.3.8 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, short term investments in money market instruments and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.3.9 Payables

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the Statement of Financial Position arise from advances received that are due to

the Provincial/National Revenue Fund or another party.

4.3.10 Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the Annual Financial Statements. These commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on the cash basis of accounting.

Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

4.3.11 Accruals

Accruals represent goods/services that have been received, but no invoice has been received from the supplier at the reporting date, OR an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

4.3.12 Contingent liability

Contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Statement of Financial position, but the information is disclosed as part of the disclosure notes.

4.3.13 Commitments

Commitments represent goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the Statement of financial position as a liability or as expenditure in the Statement of Financial Performance as the Annual Financial Statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

4.3.14 Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

4.3.15 Recoverable revenue

Recoverable revenue represents payments made and recognised in the Statement of Financial Performance as an expense in previous years due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

4.3.16 Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these Annual Financial Statements are limited to the figures shown in the previous year's audited Annual Financial Statements and such other comparative figures that the Department may reasonably have available for reporting. Re-classification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the Cash Flow Statements, as this would involve re-classification of amounts dating back to the 2002/03 year-end.

4.4 Appropriation Statement for the year ended 31 March 2005

Appropriation per programme									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
1. Administration									
Current payment	8,813	-	1,283	10,096	10,076	20	99.8%	9,543	9,538
Transfers and subsidies	20	-	-	20	17	3	85.0%	-	-
Expenditure for capital assets	82	-	600	682	681	1	99.9%	1,696	1,459
2. Enterprise Development									
Current payment	30,150	-	(3,637)	26,513	26,473	40	99.8%	16,796	17,049
Transfers and subsidies	51,462	-	2,218	53,680	53,679	1	100.0%	9,044	8,844
Expenditure for capital assets	183	-	583	766	764	2	99.7%	1,208	793
3. Tourism									
Current payment	7,920	-	(895)	7,025	7,010	15	99.8%	5,086	4,849
Transfers and subsidies	23,341	-	200	23,541	23,541	-	100.0%	34,841	34,741
Expenditure for capital assets	140	-	(56)	84	82	2	97.6%	683	444
4. iKapa eliHlumayo									
Current payment	2,167	-	(296)	1,871	1,858	13	99.3%	-	-
Transfers and subsidies	2,258	-	-	2,258	2,258	-	100.0%	45,039	45,038
5. Knowledge Economy & E-Government									
Current payment	-	-	-	-	-	-	0.0%	7,038	7,101
Expenditure for capital assets	-	-	-	-	-	-	0.0%	126	-
TOTAL	126,536	-	-	126,536	126,439	97	99.9%	131,100	129,856
Reconciliation with Statement of Financial Performance									
Departmental revenue received				2,257				390	
Actual amounts per Statements of Financial Performance (Total revenue)				128,793				131,490	
Actual amounts per Statements of Financial Performance (Total expenditure)					126,439				129,856

Appropriation Statement for the year ended 31 March 2005 (continued)

Appropriation per economic classification									
	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
Current payment									
Compensation of employees	25,580	-	(3,392)	22,188	22,182	6	100.0%	16,771	16,565
Goods and services	23,470	-	(201)	23,269	23,188	81	99.7%	23,532	23,780
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	47	47	47	-	100.0%	-	32
Transfers and subsidies to:									
Provinces and municipalities	2,551	-	19	2,570	2,565	5	99.8%	-	-
Departmental agencies and accounts	52,232	-	-	52,232	52,232	-	100.0%	15,302	15,302
Universities and Technikons	350	-	200	550	550	-	100.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	10,330	-	7,000	17,330	17,330	-	100.0%	-	-
Non-profit institutions	11,618	-	(4,800)	6,818	6,818	-	100.0%	71,782	71,482
Households	-	-	-	-	-	-	0.0%	-	-
Gifts and donations	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	-	-
Machinery and equipment	405	-	1,100	1,505	1,500	5	99.7%	3,713	2,695
Biological or cultivated assets	-	-	-	-	-	-	0.0%	-	-
Software and other intangible assets	-	-	27	27	27	-	100.0%	-	-
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	126,536	-	-	126,536	126,439	97	99.9%	131,100	129,856

Detail per programme 1 for the year ended 31 March 2005

Programme per sub-programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
1.1 Office of the Minister of Tourism									
Current payment	450	-	(65)	385	385	-	100.0%	1,914	1,785
Transfers and subsidies	5	-	(2)	3	1	2	33.3%	-	-
Expenditure for capital assets	12	-	(12)	-	-	-	0.0%	439	415
1.2 Corporate Services									
Current payment	8,363	-	1,348	9,711	9,691	20	99.8%	7,629	7,753
Transfers and subsidies	15	-	2	17	16	1	94.1%	-	-
Expenditure for capital assets	70	-	612	682	681	1	99.9%	1,257	1,044
TOTAL	8,915	-	1,883	10,798	10,774	24	99.8%	11,239	10,997

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
Current payment									
Compensation of employees	7,460	-	(751)	6,709	6,709	-	100.0%	5,130	5,016
Goods and services	1,353	-	1,987	3,340	3,321	19	99.4%	4,413	4,491
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	47	47	47	-	100.0%	-	32
Transfers and subsidies to:									
Provinces and municipalities	20	-	-	20	16	4	80.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	-	-
Universities and Technikons	-	-	-	-	-	-	0.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	0.0%	-	-
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-
Households	-	-	-	-	-	-	0.0%	-	-
Gifts and donations	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	-	-
Machinery and equipment	82	-	593	675	674	1	99.9%	1,696	1,458
Biological or cultivated assets	-	-	-	-	-	-	0.0%	-	-
Software and other intangible assets	-	-	7	7	7	-	100.0%	-	-
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	8,915	-	1,883	10,798	10,774	24	99.8%	11,239	10,997

Detail per programme 2 for the year ended 31 March 2005

Programme per sub-programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
2.1 Business Regulation									
Current payment	8,616	-	965	9,581	9,567	14	99.9%	6,967	7,099
Transfers and subsidies	-	-	10	10	10	-	100.0%	-	-
Expenditure for capital assets	109	-	104	213	213	-	100.0%	442	303
2.2 Industry Development									
Current payment	9,463	-	(1,720)	7,743	7,733	10	99.9%	5,288	5,383
Transfers and subsidies	5,005	-	(4,397)	608	608	-	100.0%	5,344	5,249
Expenditure for capital assets	39	-	29	68	66	2	97.1%	176	68
2.3 Economic Development Co-ordination									
Current payment	12,071	-	(3,571)	8,500	8,484	16	99.8%	4,541	4,567
Transfers and subsidies	25,257	-	6,605	31,862	31,861	1	100.0%	3,700	3,595
Expenditure for capital assets	35	-	450	485	485	-	100.0%	590	422
2.4 WESGRO/Legal successor									
Current payment	-	-	689	689	689	-	100.0%	-	-
Transfers and subsidies	21,200	-	-	21,200	21,200	-	100.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	81,795	-	-836	80,959	80,916	43	99.9%	27,048	26,686

Detail per programme 2 for the year ended 31 March 2005 (continued)

Economic classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
Current payment									
Compensation of employees	13,807	-	(1,889)	11,918	11,917	1	100.0%	7,809	7,795
Goods and services	16,343	-	(1,749)	14,594	14,555	39	99.7%	8,987	9,254
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies to:									
Provinces and municipalities	1,112	-	19	1,131	1,130	1	99.9%	-	-
Departmental agencies and accounts	31,200	-	-	31,200	31,200	-	100.0%	7,461	7,461
Universities and Technikons	200	-	-	200	200	-	100.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	10,250	-	7,000	17,250	17,250	-	100.0%	-	-
Non-profit institutions	8,700	-	(4,800)	3,900	3,900	-	100.0%	1,583	1,383
Households	-	-	-	-	-	-	0.0%	-	-
Gifts and donations	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	-	-
Machinery and equipment	183	-	569	752	750	2	99.7%	1,208	793
Biological or cultivated assets	-	-	-	-	-	-	0.0%	-	-
Software and other intangible assets	-	-	14	14	14	-	100.0%	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
TOTAL	81,795	-	(836)	80,959	80,916	43	99.9%	27,048	26,686

Detail per programme 3 for the year ended 31 March 2005

Programme per sub-programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
3.1 Tourism Development									
Current payment	5,098	-	15	5,113	5,106	7	99.9%	3,076	2,987
Transfers and subsidies	3,106	-	-	3,106	3,106	-	100.0%	32,291	32,291
Expenditure for capital assets	60	-	(12)	48	46	2	95.8%	536	408
3.2 Tourism Regulation									
Current payment	2,822	-	(910)	1,912	1,904	8	99.6%	2,010	1,862
Transfers and subsidies	203	-	200	403	403	-	100.0%	2,550	2,450
Expenditure for capital assets	80	-	(44)	36	36	-	100.0%	147	36
3.3 Tourism Board									
Current payment	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	20,032	-	-	20,032	20,032	-	100.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	31,401	-	(751)	30,650	30,633	17	99.9%	40,610	40,034

Detail per programme 3 for the year ended 31 March 2005 (continued)

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
Current payment									
Compensation of employees	4,313	-	(752)	3,561	3,556	5	99.9%	1,850	1,787
Goods and services	3,607	-	(143)	3,464	3,454	10	99.7%	3,236	3,062
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:									
Provinces and municipalities	1,419	-	-	1,419	1,419	-	100.0%	-	-
Departmental agencies and accounts	20,532	-	-	20,532	20,532	-	100.0%	7,841	7,841
Universities and Technikons	150	-	200	350	350	-	100.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	80	-	-	80	80	-	100.0%	-	-
Non-profit institutions	1,160	-	-	1,160	1,160	-	100.0%	27,000	26,900
Households	-	-	-	-	-	-	0.0%	-	-
Gifts and donations	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	-	-
Machinery and equipment	140	-	(62)	78	76	2	97.4%	683	444
Biological or cultivated assets	-	-	-	-	-	-	0.0%	-	-
Software and other intangible assets	-	-	6	6	6	-	100.0%	-	-
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	31,401	-	(751)	30,650	30,633	17	99.9%	40,610	40,034

Detail per programme 4 for the year ended 31 March 2005

Programme per sub-programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
4.1 iKapa eliHhlumayo									
Current payment	2,167	-	(296)	1,871	1,858	13	99.3%	-	-
Transfers and subsidies	2,258	-	-	2,258	2,258	-	100.0%	45,039	45,038
Expenditure for capital assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	4,425	-	(296)	4,129	4,116	13	99.7%	45,039	45,038

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
Current payment									
Compensation of employees	-	-	-	-	-	-	0.0%	-	-
Goods and services	2,167	-	(296)	1,871	1,858	13	99.3%	2,085	2,084
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	0.0%	-	-
Departmental agencies and accounts	500	-	-	500	500	-	100.0%	-	-
Universities and Technikons	-	-	-	-	-	-	0.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	0.0%	-	-
Non-profit institutions	1,758	-	-	1,758	1,758	-	100.0%	42,954	42,954
Households	-	-	-	-	-	-	0.0%	-	-
Gifts and donations	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	-	-
Machinery and equipment	-	-	-	-	-	-	0.0%	-	-
Biological or cultivated assets	-	-	-	-	-	-	0.0%	-	-
Software and other intangible assets	-	-	-	-	-	-	0.0%	-	-
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	4,425	-	(296)	4,129	4,116	13	99.7%	45,039	45,038

Detail per programme 5 for the year ended 31 March 2005

Programme per sub-programme	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
5.1 Cape Gateway									
Current payment	-	-	-	-	-	-	0.0%	2,650	2,680
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	71	-
5.2 Cape Online									
Current payment	-	-	-	-	-	-	0.0%	4,388	4,421
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Expenditure for capital assets	-	-	-	-	-	-	0.0%	55	-
TOTAL	-	-	-	-	-	-	0.0%	7,164	7,101

Economic Classification	2004/05							2003/04	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Payments	Variance	Payments as % of final appropriation	Final Appropriation	Actual Payment
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000
Current payment									
Compensation of employees	-	-	-	-	-	-	0.0%	1,982	1,967
Goods and services	-	-	-	-	-	-	0.0%	4,811	4,889
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	-	-	-	-	-	0.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	-	-
Universities and Technikons	-	-	-	-	-	-	0.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	0.0%	-	-
Non-profit institutions	-	-	-	-	-	-	0.0%	245	245
Households	-	-	-	-	-	-	0.0%	-	-
Gifts and donations	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	-	-
Machinery and equipment	-	-	-	-	-	-	0.0%	126	-
Biological or cultivated assets	-	-	-	-	-	-	0.0%	-	-
Software and other intangible assets	-	-	-	-	-	-	0.0%	-	-
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	-	-	-	-	-	-	0.0%	7,164	7,101

4.5 Notes to the Appropriation Statement for the year ended 31 March 2005

4.5.1 Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexures 1(C-F) and Annexure 1(H) to the Annual Financial Statements.

4.5.2 Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

4.5.3 Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 5 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

4.5.4 Explanations of material variances from Amounts Voted (after Virement):

4.5.4.1 Per Programme	Voted Funds after Virement	Actual Expenditure	R'000	%
Administration	10,798 Saving due to reprioritisation of funds.	10,774	24	0.2
Enterprise	80,959 Saving due to reprioritisation of funds.	80,916	43	0.05
Tourism	30,650 Saving due to reprioritisation of funds	30,633	17	0.06
iKapa eliHlumayo	4,129 Saving due to reprioritisation of funds.	4,116	13	0.3

4.5.4.2 Per Economic classification R'000

Current payment:

Compensation of employees	6
Goods and services	81

Transfers and subsidies:

Provinces and municipalities	5
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Payments for capital assets:

Machinery and equipment	5
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4.6 Statement of Financial Performance (Income Statement) for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
REVENUE			
Annual appropriation	1	126,536	131,100
Departmental revenue	2	2,257	390
TOTAL REVENUE		128,793	131,490
EXPENDITURE			
Current expenditure			
Compensation of employees	3	22,182	16,565
Goods and services	4	23,188	23,780
Financial transactions in assets and liabilities	5	47	32
Total current expenditure		45,417	40,377
Transfers and subsidies	6	79,495	86,784
Expenditure for capital assets			
Machinery and Equipment	7	1,500	2,695
Software and other intangible assets	7	27	-
Total expenditure for capital assets		1,527	2,695
TOTAL EXPENDITURE		126,439	129,856
NET SURPLUS/(DEFICIT) FOR THE YEAR		2,354	1,634

Reconciliation of Net Surplus/(Deficit) for the year

Voted Funds to be surrendered to the Revenue Fund/unutilised	11	97	1,244
Departmental receipts to be surrendered to the Revenue Fund	12	2,257	390
NET SURPLUS/(DEFICIT) FOR THE YEAR		2,354	1,634

4.7 Statement of Financial Position (Balance Sheet) at 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
ASSETS			
Current assets			
Cash and cash equivalents	8	96	-
Prepayments and advances	9	20	-
Receivables	10	230	1,603
TOTAL ASSETS		346	1,603
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	11	97	1,244
Departmental revenue to be surrendered to the Revenue Fund	12	249	173
Bank overdraft	13	-	133
Payables	14	-	53
TOTAL LIABILITIES		346	1,603
NET ASSETS		-	-

4.8 Cash Flow Statement for the year ended 31 March 2005

	Note	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		133,811
Annual appropriated funds received		126,536
Departmental revenue received		5,922
Net (increase)/decrease in working capital		1,353
Surrendered to Revenue Fund		(7,105)
Current payments		(45,470)
Transfers and subsidies paid		(79,495)
Net cash flow available from operating activities	15	1,741
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capital assets		(1,527)
Proceeds from sale of capital assets	2	15
Net cash flows from investing activities		(1,512)
Net increase/(decrease) in cash and cash equivalents		229
Cash and cash equivalents at the beginning of the period		(133)
Cash and cash equivalents at end of period	8	96

4.9 Notes to the Annual Financial Statements for the year ended 31 March 2005

1. Annual Appropriation

1.1 Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted funds) and Provincial Departments (Equitable Share).

	Final Appropriation R'000	Actual Funds Received R'000	Variance over/ (under) R'000	Total Appropriation 2003/04 R'000
Administration	10,798	10,774	24	11,239
Enterprise				
Development	80,959	80,916	43	27,048
Tourism	30,650	30,633	17	40,610
iKapa eliHlumayo	4,129	4,116	13	45,039
Knowledge				
Economy and E-Government	-	-	-	7,164
TOTAL	126,536	126,439	97	131,100

2. Departmental revenue to be surrendered to revenue fund

	Note	2004/05 R'000	2003/04 R'000
Tax revenue		3,781	3,681
Sales of goods and services other than capital assets		284	359
Interest, dividends and rent on land		2	-
Sales of capital assets		15	-
Financial transactions in assets and liabilities	2.1	1,855	-
Total revenue collected		5,937	4,040
Less: Departmental Revenue Budgeted	12	3,680	3,650
Departmental revenue collected		2,257	390

	<i>Note</i>	2004/05	2003/04
		R'000	R'000
2.1 Financial transactions in assets and liabilities			
Nature of loss recovered			
Material losses recovered		1,852	-
Other		3	-
		1,855	-
3. Compensation of employees			
3.1 Salaries and Wages			
Basic salary		15,985	11,670
Performance award		338	-
Service Based		29	-
Compensative/circumstantial		249	-
Periodic payments		391	-
Other non-pensionable allowances		2,613	2,963
Total		19,605	14,633
3.2 Social contributions			
3.2.1 Short-term employee benefits			
Pension		1,887	1,424
Medical		639	508
Bargaining council		51	-
Total		2,577	1,932
Total compensation of employees		22,182	16,565
Average number of employees		121	89

4. Goods and services

	<i>Note</i>	2004/05	2003/04
		R'000	R'000
Advertising		1,592	-
Attendance fees (including registration fees)		48	-
Bank charges and card fees		56	-
Bursaries (employees)		72	-
Communication		1,763	-
Computer services		13	-
Consultants, contractors and special services		12,210	13,366
Courier and delivery services		9	-
Entertainment		314	-
External audit fees	4.1	434	387
Equipment less than R5,000		426	-
Inventory	4.2	881	2,062
Legal fees		522	-
Maintenance, repairs and running cost		1	1,697
Operating leases		2,047	-
Photographic services		19	-
Plant, flowers and other decorations		32	-
Printing and publications		654	227
Professional bodies and membership fees		1	-
Resettlement cost		61	-
Subscriptions		32	-
Translations and transcriptions		21	-
Travel and subsistence	4.3	1,619	-
Venues and facilities		285	-
Training & staff development		76	-
Previous years unallocated items		-	6,041
		23,188	23,780

	Note	2004/05 R'000	2003/04 R'000
4.1 External audit fees			
Regularity audits		434	387
Total external audit fees		434	387
4.2 Inventory (purchased during the year)			
Other inventory		-	1,197
Parts and other maintenance material		15	-
Stationery and printing		866	865
Total Inventory		881	2,062
4.3 Travel and subsistence			
Local		1,449	-
Foreign		170	-
Total travel and subsistence		1,619	-

	Note	2004/05 R'000	2003/04 R'000
5. Financial transactions in assets and liabilities			
Material losses through criminal conduct	5.1	28	32
Other material losses written off	5.2	19	-
Total		47	32
5.1 Material losses through criminal conduct			
Theft of equipment		28	32
Total		28	32
5.2 Other material losses written off			
Vehicle damage		19	-
Total		19	-
5.3 Details of theft and losses			
Theft of equipment		28	32
Damage to vehicles		19	-
Total		47	32

	<i>Note</i>	2004/05 R'000	2003/04 R'000
6. Transfers and subsidies			
Provinces and municipalities	<i>Annex 1C</i>	2,565	-
Departmental agencies and accounts	<i>Annex 1D</i>	52,232	15,302
Universities and Technikons	<i>Annex 1E</i>	550	-
Public corporations and private enterprises	<i>Annex 1F</i>	17,330	-
Non-profit institutions	<i>Annex 1H</i>	6,818	71,482
Total		79,495	*86,784

**The total for non-profit institutions for 2003/04 includes transfers to Provinces and Municipalities, Universities and Technikons and Public Corporations and Private Enterprises. It must be noted that transfers to the afore-mentioned beneficiaries are included on separate annexures for 2004/05.*

7. Expenditure for capital assets

Machinery and equipment	<i>Annex 4</i>	1,500	2,695
Software and other intangible assets	<i>Annex 5</i>	27	-
Total		1,527	2,695

8. Cash and cash equivalents

Consolidated Paymaster General Account	(510)	-
Cash on hand	2	-
Cash with commercial banks	604	-
Total	96	-

9. Pre-payments and advances

Travel and subsistence	20	-
Total	20	-

10. Receivables

	<i>Note</i>	Less than one year	One to three years	Older than three years	2004/05 R'000	2003/04 R'000
					Total	Total
Amounts owing by other entities	<i>Annex 6</i>	167	-	-	167	1,354
Staff debtors	<i>10.1</i>	46	-	-	46	33
Clearing accounts	<i>10.2</i>	17	-	-	17	127
Other debtors	<i>10.3</i>	-	-	-	-	89
Total		230	-	-	230	1,603

Amounts of R0 (2004: R7,000) included above may not be recoverable, but have not been written off in the Statement of financial performance.

	<i>Note</i>	2004/05 R'000	2003/04 R'000
10.1 Staff debtors			
Private telephone calls		10	9
Departmental debt		36	7
Disallowance control account		23	16
Other		(23)	1
Total		46	33
10.2 Clearing accounts			
Thefts and losses		17	4
Disallowance Miscellaneous		-	123
Total		17	127
10.3 Other debtors			
S & T Advances		-	89
Total		-	89

	Note	2004/05 R'000	2003/04 R'000
11. Voted funds to be surrendered to the Revenue Fund			
Opening balance		1,244	5,588
Transfer from Statement of Financial Performance		97	1,244
Paid during the year		(1,244)	(5,588)
Closing balance		<u>97</u>	<u>1,244</u>

12. Departmental receipts to be surrendered to the Revenue fund

Opening balance		173	220
Transfer from Statement of Financial Performance		2,257	390
Departmental Revenue Budgeted	2	3,680	3,650
Paid during the year		(5,861)	(4,087)
Closing balance		<u>249</u>	<u>173</u>

13. Bank overdraft

Paymaster General Account		-	133
Total		<u>-</u>	<u>133</u>

			2004/05 R'000	2003/04 R'000
Note	30 Days	30+ Days	Total	Total

14. Payables - current Description

Advances received	14.1	-	-	-	20
Clearing accounts	14.2	-	-	-	33
Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>53</u>

14.1 Advances received

Deduction Account		-	10
ACB Recalls: Persal		-	10
Total		<u>-</u>	<u>20</u>

14.2 Clearing accounts

Disallowance: Overpayments		-	1
Disallowance: Previous year		-	32
Total		<u>-</u>	<u>33</u>

Note	2004/05	2003/04
	R'000	R'000

15. Reconciliation of net cash flow from operating activities to surplus/(deficit)

Net surplus/(deficit) as per Statement of Financial Performance	2,354	1,634
(Increase)/decrease in receivables – current	1,373	(1,463)
(Increase)/decrease in prepayments and advances	(20)	-
Increase/(decrease) in payables – current	(53)	(250)
Proceeds from sale of equipment	(15)	-
Surrenders	(7,105)	(9,675)
Capital expenditure	1,527	24,695
Departmental Revenue Budgeted	3,680	3,650
Net cash flow available from operating activities	1,741	18,591

16. Appropriated funds and departmental revenue surrendered

Appropriated funds surrendered	97	1,244
Departmental revenue surrendered	2,257	390
Total	2,354	1,634

Disclosure Notes to the Annual Financial Statements for the year ended 31 March 2005

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

Note	2004/05	2003/04
	R'000	R'000

17. Contingent liabilities

Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 3	66	90
Housing loan guarantees	Employees	Annex 3	180	196
Other departments (interdepartmental unconfirmed balances)		Annex 7	281	349
Capped leave commitments			828	-
Total			1,355	635

18. Commitments per programme

Approved and contracted	174	-
Approved but not yet contracted	4	-
Total	178	-
Capital expenditure		
Approved and contracted	162	-
Approved but not yet contracted	-	-
	162	-
Total Commitments	340	-

	Note	2004/05 R'000	2003/04 R'000
--	------	------------------	------------------

19. Accruals

Listed by economic classification

	30 Days	30+Days	Total	Total
Compensation of employees	-	-	-	-
Goods and services	27	36	63	361
Machinery and equipment	-	10	10	-
Software and other intangible assets	-	9	9	-
Total	27	55	82	361

Listed by programme level

Programme 1	22	92
Programme 2	28	212
Programme 3	32	17
Programme 4	-	40
Total	82	361

Confirmed balances with other departments

	Annex 7	3	114
Total		3	114

20. Employee benefits

Leave entitlement	1,927	1,795
Thirteenth cheque	538	450
Performance bonus	308	-
Total	2,773	2,245

21. Lease commitments

	Machinery and equipment	Total	Total
Type of institution			
Not later than 1 year	459	459	466
Later than 1 year and not later than 3 years	979	979	334
Later than three years	16	16	381
Total	1,454	1,454	1,181

22. Senior management personnel

The aggregate compensation of the senior management of the Department and the number of individuals determined on a full time equivalent basis receiving compensation within this category, showing separately major classes of key management personnel and including a description of each class for the current period and the comparative period. Detail on each type of compensation should also be disclosed.

	2004/05 R'000	2003/04 R'000
The Minister, Deputy Ministers, Director-General	414	548
Deputy Directors General	1,049	1,064
Chief Financial Officer	389	377
Chief Director	339	916
Total	2,191	2,905

4.10 Annexures to the Annual Financial Statements for the year ended 31 March 2005

Annexure 1C: Statements of transfers paid to municipalities

NAME OF MUNICIPALITY	TRANSFER ALLOCATION				TRANSFER		2003/04
	Division of Revenue Act	Roll-overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Division of Revenue Act
	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000
Cape Winelands District Municipality	470	-	-	470	470	100.0%	-
Central Karoo District Municipality	560	-	-	560	560	100.0%	-
City of Cape Town	200	-	-	200	200	100.0%	-
Eden District Municipality	380	-	-	380	380	100.0%	-
Overberg District Municipality	480	-	-	480	480	100.0%	-
West Coast District Municipality	420	-	-	420	420	100.0%	-
RSCL: Cape Metropolitan Council	41	-	19	60	55	91.7%	-
	2,551	-	19	2,570	2,565		-

Annexure 1D: Statements of transfers paid to departmental agencies and accounts

Annexure 1E: Statements of transfers paid to Universities and Techniko

Annexure 1F: Statements of transfers/subsidies to public corporations and private enterprises

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER				2003/04
	Adjusted Appropriation	Roll-overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000	R' 000

Public Corporations

Transfers

Airports Company SA	80	-	-	80	80	100.0%	-	80	-
CASIDRA (Pty) Ltd	9,700	-	2,000	11,700	11,700	100.0%	-	11,700	-
CSIR	5,550	-	-	5,550	5,550	100.0%	-	5,550	-
TOTAL	15,330	-	2,000	17,330	17,330		-	17,330	-

Annexure 1H: Statements of transfers to non-profit organisations

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				TRANSFER		2003/04
	Adjusted Appropriation	Roll-overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000
Transfers							
Breedekloof Wine and Tourism	90	-	-	90	90	100.0%	-
Business Beat	90	-	-	90	90	100.0%	-
Cape Africa Platform	100	-	-	100	100	100.0%	-
Cape Africa Platform	150	-	-	150	150	100.0%	-
Cape Craft and Design Institute	250	-	-	250	250	100.0%	-
Cape Craft and Design Institute	180	-	-	180	180	100.0%	1,850
Cape Film and TV Initiative	400	-	-	400	400	100.0%	-
Cape Film Commission Development Fund	250	-	-	250	250	100.0%	3,420
CAPEMAC	1,600	-	-	1,600	1,600	100.0%	-
Cape Oil and Gas Supply Initiative	200	-	-	200	200	100.0%	2,750
Library Business Corners	300	-	-	300	300	100.0%	1,150
National SMME Fishing Forum	200	-	-	200	200	100.0%	-
South African Labour Research Institute	600	-	-	600	600	100.0%	-
South African Tourism Services Association	270	-	-	270	270	100.0%	280
South African National Parks	250	-	-	250	250	100.0%	-
South Cape Business Centre	10	200	-	210	210	100.0%	-
The Business Place	1,200	-	-	1,200	1,200	100.0%	-
The Cape Town Peace Plan	178	-	-	178	178	100.0%	-
Tooling Association of South Africa	200	-	-	200	200	100.0%	-
West Coast Business Development	100	-	-	100	100	100.0%	200
ACORN	-	-	-	-	-	0.0%	130
ASNAPP	-	-	-	-	-	0.0%	400
Boland District Municipality	-	-	-	-	-	0.0%	495

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				TRANSFER		2003/04
	Adjusted Appropriation	Roll-overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000
Business Opportunities	-	-	-	-	-	0.0%	100
Calling the Cape	-	-	-	-	-	0.0%	200
Cape Chamber of Commerce	-	-	-	-	-	0.0%	200
Cape College	-	-	-	-	-	0.0%	100
Cape Technikon	-	-	-	-	-	0.0%	200
Cape Town Boat Building	-	-	-	-	-	0.0%	1,000
Cape Town Tourism and Events	-	-	-	-	-	0.0%	6,900
Capricorn Foundation	-	-	-	-	-	0.0%	250
CASIDRA	-	-	-	-	-	0.0%	5,250
Central Karoo District Municipality	-	-	-	-	-	0.0%	450
CITI	-	-	-	-	-	0.0%	2,245
City of Cape Town	-	-	-	-	-	0.0%	2,200
CLOTEX	-	-	-	-	-	0.0%	2,500
CPUT	-	-	-	-	-	0.0%	200
CSIR	-	-	-	-	-	0.0%	7,250
CTICC	-	-	-	-	-	0.0%	22,000
District Six Museum	-	-	-	-	-	0.0%	400
Eden District Municipality	-	-	-	-	-	0.0%	550
Entrepreneur and Project	-	-	-	-	-	0.0%	140
ESP Afrika	-	-	-	-	-	0.0%	100
Furniture Industry Training	-	-	-	-	-	0.0%	200
IIZ/DVV – Adult Learners Forum	-	-	-	-	-	0.0%	1,200
Institute for the Deaf	-	-	-	-	-	0.0%	50
Interactive Africa	-	-	-	-	-	0.0%	600
Iziko Cooking School	-	-	-	-	-	0.0%	50
Kleinmond Development Forum	-	-	-	-	-	0.0%	300

NON-PROFIT ORGANISATIONS	TRANSFER ALLOCATION				TRANSFER		2003/04
	Adjusted Appropriation	Roll-overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000
Learning Cape Initiative	-	-	-	-	-	0.0%	750
Link Africa	-	-	-	-	-	0.0%	300
NAMAC	-	-	-	-	-	0.0%	800
National Access Forum	-	-	-	-	-	0.0%	750
Non-Profit Institutions	-	-	-	-	-	0.0%	700
Overberg District Municipality	-	-	-	-	-	0.0%	600
Peninsula Technikon	-	-	-	-	-	0.0%	100
SACTWU	-	-	-	-	-	0.0%	500
SA Mariculture Institute	-	-	-	-	-	0.0%	100
SAPPEX	-	-	-	-	-	0.0%	143
Section 21 Industry Initiative	-	-	-	-	-	0.0%	25
Sithengi	-	-	-	-	-	0.0%	400
Tourism Promotion Agency	-	-	-	-	-	0.0%	325
UCT Business School	-	-	-	-	-	0.0%	100
University of Stellenbosch	-	-	-	-	-	0.0%	369
West Coast District Municipality	-	-	-	-	-	0.0%	410
TOTAL	6,618	200	-	6,818	6,818		71,482

Annexure 3: Statements of financial guarantees issued at 31 March 2005 – local

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 01 April 2004	Guarantees issued during the year	Guarantees released during the year	Guaranteed interest for year ended 31 March 2005	Closing balance 31 March 2005	Realised losses i.r.o. claims paid out
		R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
	Motor vehicles							
Stannic		90	90	-	24	-	66	-
		90	90	-	24	-	66	-
	Housing							
ABSA		87	87	-	-	-	87	-
Old Mutual Bank: Division of Nedbank		39	39	-	39	-	-	-
Nedbank Limited		70	70	23	-	-	93	-
Standard Bank of S.A. Ltd		-	-	10	10	-	-	-
First Rand Bank Ltd		-	-	17	17	-	-	-
		196	196	50	66	-	180	-
	TOTAL	286	286	50	90	-	246	-

Annexure 4: Statements of physical asset movement schedule for the year ended 31 March 2005

	Opening Balance	Additions	Disposals	Transfers in	Transfers out	Closing balance
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
MACHINERY AND EQUIPMENT	4,330	1,500	413	-	1,309	4,108
Computer equipment	2,325	706	8	-	473	2,550
Furniture and office equipment	980	265	7	-	824	414
Other machinery and equipment	17	-	-	-	12	5
Transport assets	1,008	529	398	-	-	1,139
Total	4,330	1,500	413	-	1,309	4,108

Physical asset movement schedule for the year ended 31 March 2004

	Opening Balance	Additions	Disposals	Transfers in	Transfers out	Closing balance
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
MACHINERY AND EQUIPMENT	262	2,695	-	1,373	-	4,330
Computer equipment	235	1,260	-	830	-	2,325
Furniture and office equipment	26	411	-	543	-	980
Other machinery and equipment	1	16	-	-	-	17
Transport assets	-	1,008	-	-	-	1,008
Total	262	2,695	-	1,373	-	4,330

Annexure 5: Statement of software and other intangible assets movements schedule as at 31 March 2005

	Opening Balance	Additions	Disposals	Transfers in	Transfers out	Closing balance
	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000
Computer software	-	27	-	-	-	27
Total	-	27	-	-	-	27

Annexure 6: Statement of inter-governmental receivables

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R' 000	31/03/2004 R' 000	31/03/2005 R' 000	31/03/2004 R' 000
Departments				
Social Services	-	154	-	-
Provincial Treasury	-	22	-	-
City of Cape Town	-	-	37	-
Housing	-	-	76	-
Land Affairs	-	-	14	-
Education	-	-	1	1
	-	176	128	1
Other government entities				
Trade and Investment - EPCOT	-	1,177	-	-
Cape Film Commission	-	-	39	-
	-	1,177	39	-
Total	-	1,353	167	1

Annexure 7: Statement of inter-governmental payables

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R' 000	31/03/2004 R' 000	31/03/2005 R' 000	31/03/2004 R' 000

Departments

Amounts not included in Statement of financial position

Current

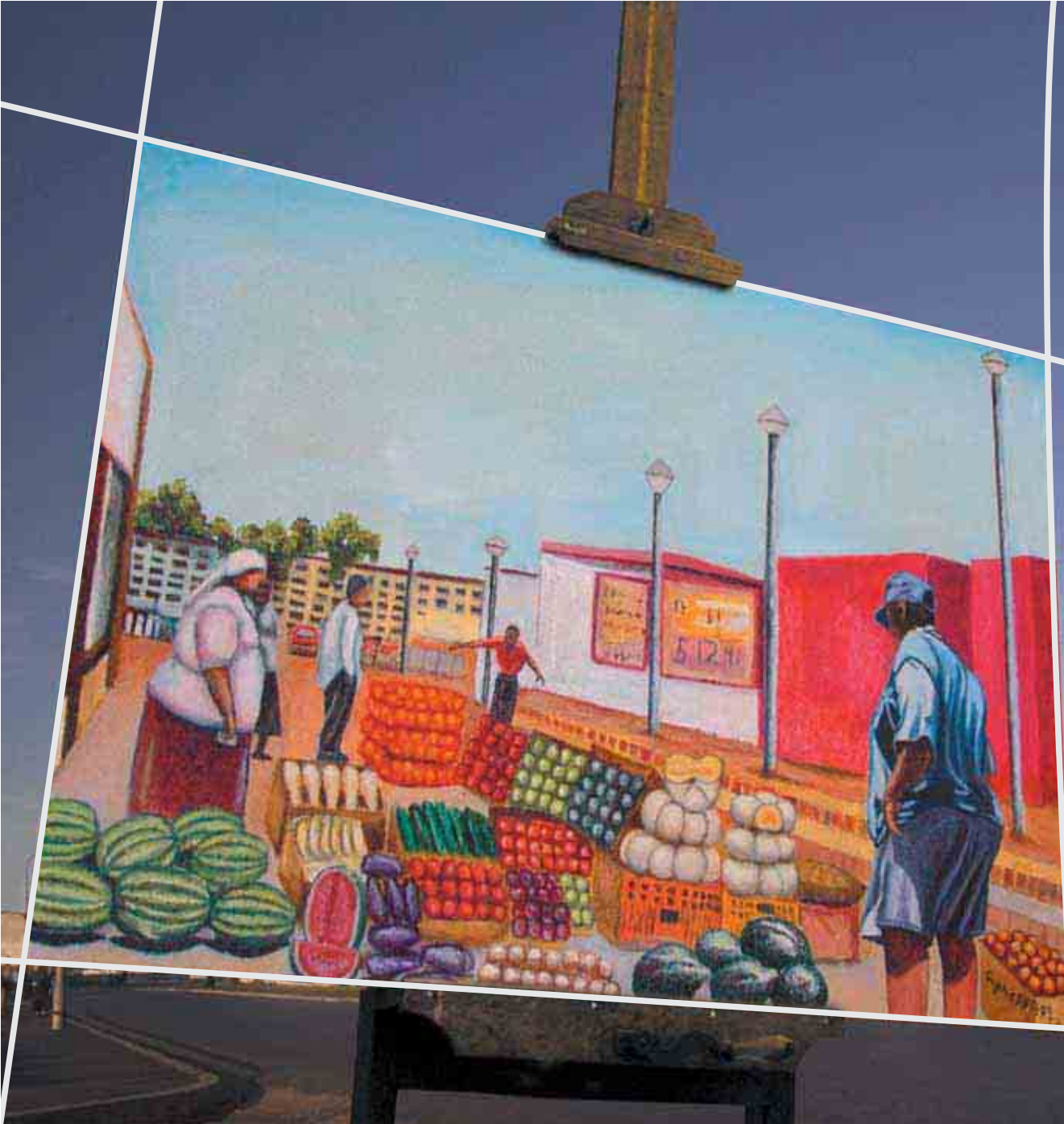
Transport and Public Works	-	57	262	-
Provincial Administration Western Cape	-	4	-	-
Trade and Industry	-	17	-	-
Provincial Parliament	3	-	-	-
Provincial Treasury	-	-	2	347
Justice and Constitutional Development	-	36	17	-
Total	3	114	281	347

Other government entities

Amounts not included in Statement of financial position

Current

South African Management Development Institute	-	-	-	2
Total	-	-	-	2



Human Resources Management
PART: 5

Selling veggies in the community
Sophie Peters
(Hanover Park)

HUMAN RESOURCE MANAGEMENT

5.1	Service delivery	155
5.2	Expenditure	155
5.3	Employment and vacancies	157
5.4	Job evaluation	159
5.5	Employment changes	161
5.6	Employment equity	164
5.7	Performance rewards	170
5.8	Foreign workers	172
5.9	Leave utilisation for the period 01 January 2004 to 31 December 2004	172
5.10	HIV and Aids and health promotion programmes	175
5.11	Labour relations	177
5.12	Skills development	179
5.13	Injury duty	188
5.14	Utilisation of consultants	188
Annexure A: Staff of the Department during the reporting period		191
Annexure B: Other staff and interns employed during the reporting period		199

Background to Human Resource Management in the Department of Economic Development and Tourism for the 2004/05 period:

Although the reorganisation of the Department of Economic Development and Tourism was only approved in March 2005, the preceding processes had an effect on the human resource management functions within the Department. This resulted, amongst others, in certain approved permanent posts being filled with contract staff and a new organisational structure being developed.

5.1 Service delivery

All departments are required to develop a Service Delivery Improvement (SDI) Plan. **Table 5.1.1** reflects the components of the

SDI Plan and the progress made in the implementation of the Plan.

Table 5.1.1: Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
---------------	------------------	---------------------	---------------------	--------------------------------------

A Departmental Service Delivery Improvement Plan could not be finalised as yet.

5.2 Expenditure

The following tables summarise final audited expenditure by programme (**Table 5.2.1**) and by salary bands (**Table 5.2.2**). In particular, it provides an indication of the amount spent on personnel

costs in terms of each of the programmes or salary bands within the Department.

Table 5.2.1: Personnel costs by programme – 2004/05

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)
1. Administration	10,728	7,103	91	937	66.16	120
2. Enterprise Development	80,916	11,918	75	9,056	14.73	192
3. Tourism	30,633	3,617	31	916	11.81	164
TOTAL	122,277	22,638	196	10,909	18.51	158

Table 5.2.2: Personnel costs by salary bands – 2004/05

Salary Bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	40	0.18	40
Skilled (Levels 3-5)	2,159	9.54	55
Highly skilled production (Levels 6-8)	4,382	19.36	118
Highly skilled supervision (Levels 9-12)	11,776	52.02	200
Senior management (Levels 13-16)	3,858	17.04	551
Other (Periodic)	423	1.87	15
TOTAL	22,638	100.00	132

The following tables provide a summary per programme (**Table 5.2.3**) and salary bands (**Table 5.2.4**), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical

assistance. In each case, the tables provide an indication of the percentage of the personnel budget that was used for these items.

TABLE 5.2.3: Salaries, Overtime, Home Owners Allowance and Medical Assistance per programme – 2004/05

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount R' 000	Salaries as a % of personnel cost	Amount R' 000	Overtime as a % of personnel cost	Amount R' 000	HOA as a % of personnel cost	Amount R' 000	Medical Assistance as a % of personnel cost
1. Administration	5,092	71.73	21	0.30	51	0.71	216	3.04
2. Enterprise Development	8,528	71.55	0	0.00	93	0.78	353	2.96
3. Tourism	2,552	70.57	2	0.06	11	0.32	83	2.28
TOTAL	16,172	71.45	24	0.10	155	0.69	651	2.88

TABLE 5.2.4: Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands – 2004/05

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount R' 000	Salaries as a % of personnel cost	Amount R' 000	Overtime as a % of personnel cost	Amount R' 000	Overtime as a % of personnel cost	Amount R' 000	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	32	80.33	0	0.00	0	0.00	2	5.67
Skilled (Levels 3-5)	1,718	79.56	21	0.96	15	0.68	80	3.70
Highly skilled production (Levels 6-8)	3,353	76.52	3	0.07	46	1.06	165	3.77
Highly skilled supervision (Levels 9-12)	8,873	75.35	0	0.00	94	0.80	295	2.50
Senior management (Levels 13-16)	2,169	56.23	0	0.00	73	1.90	118	3.05
Other (Periodic)	26	6.25	0	0.00	0	0.00	0	0.00
TOTAL	16,171	71.43	24	0.11	229	1.01	660	2.92

5.3 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme (**Table 5.3.1**), salary band (**Table 5.3.2**) and critical

occupations (**Table 5.3.3**). Departments have identified critical occupations that need to be monitored. **Table 5.3.3** provides establishment and vacancy information for the key critical occupations of the Department. The vacancy rate reflects the percentage of posts that are not filled.

Table 5.3.1: Employment and vacancies by programme, 31 March 2005

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1. Administration	67	59	13%	23
2. Enterprise Development	73	62	15%	14
3. Tourism	25	22	12%	4
TOTAL	165	144	-	41

Table 5.3.2: Employment and vacancies by salary bands, 31 March 2005

Salary Bands	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	1	1	0%	0
Skilled (Levels 3-5)	40	38	5%	17
Highly skilled production (Levels 6-8)	46	37	20%	7
Highly skilled supervision (Levels 9-12)	68	59	12%	17
Senior management (Levels 13-16)	10	9	20%	0
TOTAL	165	144	13%	41

Table 5.3.3: Employment and vacancies by critical occupations, 31 March 2005

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Communication officer	1	1	0%	0
Sector Specialist	19	14	15%	0
Senior Managers	10	8	20%	0
TOTAL	30	26	13%	0

The information in each case reflects the situation as at 31 March 2005. For an indication of changes in staffing patterns over the year

under review, please refer to section **5.5 Employment changes** of this report.

5.4 Job evaluation

The Public Service Regulations, 1999, introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations, all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by

a decision by the Minister for Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

Table 5.4.1 summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 5.4.1: Job Evaluation, 31 March 2005

Salary Bands	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	26	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	39	1	3	1	100	0	0
Highly skilled supervision (Levels 9-12)	49	5	10	2	40	0	0
Senior Management Service Band A	6	0	0	0	0	0	0
Senior Management Service Band B	2	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
TOTAL	124	6	5	3	50	0	0

Table 5.4.2 provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts

upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 5.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 01 April 2004 to 31 March 2005

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	1	2
Male	0	0	0	1	1
Total	1	0	0	2	3
Employees with a disability					0

Table 5.4.3 summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation.

Table 5.4.3: Employees whose salary level exceed the grade determined by job evaluation, 01 April 2004 to 31 March 2005 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2004/05				0
Percentage of total employment				0

5.5 Employment changes

Employment changes provide information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary

band (**Table 5.5.1**) and by critical occupations (**Table 5.5.2**). (These "critical occupations" should be the same as those listed in **Table 5.3.3**). **Table 5.5.3** identifies the major reasons why staff left the Department, **Table 5.5.4**.

Table 5.5.1: Annual turnover rates by salary band for the period 01 April 2004 to 31 March 2005

Salary Bands	Number of employees per band as on 01 April 2004	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	1	0	0	0%
Skilled (Levels 3-5)	14	55	26	68.4%
Highly skilled production (Levels 6-8)	32	31	22	59.46%
Highly skilled supervision (Levels 9-12)	44	56	42	71.19%
Senior Management Service Band A	5	5	5	100%
Senior Management Service Band B	1	1	1	100%
Senior Management Service Band C	2	0	0	0%
Senior Management Service Band D	0	0	0	0%
TOTAL	99	148	96	66.67%

Table 5.5.2: Annual turnover rates by critical occupation for the period 01 April 2004 to 31 March 2005

Occupation	Number of employees per band as on 01 April 2004	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Communication Officer	1	1	0	0%
Sector Specialists	10	0	1	10%
Senior Management	8	0	1	12.5%
TOTAL	19	1	2	10.52%

Table 5.5.3: Reasons why staff left the Department, 01 April 2004 to 31 March 2005

Termination Type	Number	% of total
Death	0	0%
Resignation	6	7.05%
Expiry of contract	77	90.6%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	0	0%
Transfers to other Public Service Departments	11	0%
Other (Cancelling Appointment)	2	2.35%
Total	96	100%
Total number of employees who left as a % of the total employment		66.67%

Table 5.5.4: Promotions by critical occupation, 01 April 2004 to 31 March 2005

Occupation	Employees as at 01 April 2004	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Communication Officer	1	0	0	0	0
Sector Specialists	10	0	0	3	30%
Senior Management	10	0	0	0	0
TOTAL	21	0	0	3	14%

Table 5.5.5: Promotions by salary band, 01 April 2004 to 31 March 2005

Salary Bands	Employees as at 01 April 2004	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary bands
Lower skilled (Levels 1-2)	0	0	0%	0	0%
Skilled (Levels 3-5)	0	0	0%	0	0%
Highly skilled production (Levels 6-8)	0	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	0	0	0%	0	0%
Senior management (Levels 13-16)	0	0	0%	0	0%
TOTAL	0	0	0%	0	0%

5.6 Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 1998 (Act 55 of 1998).

Table 5.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	3	0	2	1	1	0	1	8
Professionals	0	2	0	0	0	1	0	0	3
Technicians and associate professionals	11	28	1	3	12	31	1	13	100
Clerks	3	3	0	0	7	18	0	1	32
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	1	0	0	0	0	0	0	1
Elementary occupations	0	0	0	0	0	0	0	0	0
TOTAL	14	37	1	5	20	51	1	15	144
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 5.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	1	0	0	0	0	0	1	2
Senior Management	0	2	0	2	1	1	0	0	6
Professionally qualified and experienced specialists and mid-management	6	20	1	3	7	16	0	7	60
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	8	0	0	7	13	1	6	39
Semi-skilled and discretionary decision making	4	6	0	0	5	20	0	1	36
Unskilled and defined decision making	0	0	0	0	0	1	0	0	1
TOTAL	14	37	1	5	20	51	1	15	144

Table 5.6.3: Recruitment for the period 01 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	1	1	2	0	0	6
Professionally qualified and experienced specialists and mid-management	9	9	0	4	15	12	0	8	57
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	12	0	0	6	2	0	5	30
Semi-skilled and discretionary decision making	5	8	0	0	9	32	0	1	55
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	21	29	0	5	31	48	0	14	148
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 5.6.4: Promotions for the period 01 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 5.6.5: Terminations for the period 01 April 2004 to 31 March 2005

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	1	1	3	0	0	6
Professionally qualified and experienced specialists and mid-management	9	8	0	5	9	5	0	6	42
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	6	0	1	6	5	0	3	22
Semi-skilled and discretionary decision making	2	5	1	0	4	14	0	0	26
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL	13	19	1	7	20	27	0	9	96
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 5.6.6: Disciplinary action for the period 01 April 2004 to 31 March 2005

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	0	0	0	2	1	0	0	3

Table 5.6.7: Skills development for the period 01 April 2004 to 31 March 2005

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	2	0	1	0	1	0	0	4
Professionals	0	2	0	0	0	0	0	0	2
Technicians and associate professionals	25	54	0	4	26	70	14	23	216
Clerks	21	18	0	0	56	138	0	12	245
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	7	0	0	0	0	0	0	7
Elementary occupations	0	0	0	0	0	0	0	0	0
TOTAL	46	83	0	5	82	209	14	35	474
Employees with disabilities	0	0	0	0	0	0	0	0	0

5.7 Performance rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability

(Table 5.7.1), salary bands (Table 5.7.2) and critical occupations (Table 5.7.3).

Table 5.7.1: Performance Rewards by race, gender, and disability, 01 April 2004 to 31 March 2005

Performance rewards	Beneficiary Profile				Cost	
	Number of beneficiaries	Total number of employees that qualify	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	3	5	34	8.8	26	8,666.67
Male	0	0	14	0	0	0
Female	3	5	20	15	26	8,666.67
Asian	0	0	2	0	0	0
Male	0	0	1	0	0	0
Female	0	0	1	0	0	0
Coloured	16	24	88	18	251	15,687.50
Male	8	12	37	21.6	157	19,625.00
Female	8	12	51	15.7	94	11,806.75
White	4	4	20	20	52	12,961.21
Male	1	1	5	20	1	10,607.10
Female	3	3	15	20	41	13,745.91
TOTAL	23	33	144	16	328	14,260.87
Employees with disabilities	0	0	0	0	0	0

Table 5.7.2: Performance Rewards by salary bands for personnel below Senior Management Service, 01 April 2004 to 31 March 2005

Salary Bands	Beneficiary Profile				Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	0	1	0	0	0	0
Skilled (Levels 3-5)	4	39	10.3	21	5,327.18	1,2
Highly skilled production (Levels 6-8)	8	37	21.6	77	9,641.73	1,1
Highly skilled supervision (Levels 9-12)	11	59	18.6	230	20,909.09	1,5
TOTAL	23	136	16.9	328	14,260.86	0,91

Table 5.7.3: Performance Rewards by critical occupations, 01 April 2004 to 31 March 2005

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Communications Officer	0	1	0	0	0
Sector Specialists	3	10	30	76	25,491.10
Senior Management Service	0	8	0	0	0
TOTAL	3	19	15.8	76	25,491.10

Table 5.7.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service

No performance related rewards (cash bonuses) were awarded to members of the Senior Management Service.

5.8 Foreign workers

Table 5.8.1: Foreign Workers, 01 April 2004 to 31 March 2005, by salary band

No foreign workers were employed within the Department for the reporting period.

Table 5.8.2: Foreign Workers, 01 April 2004 to 31 March 2005, by major occupation

No foreign workers were employed within the Department for the reporting period.

5.9 Leave utilisation for the period 01 January 2004 to 31 December 2004

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (**Table 5.9.1**)

and disability leave (**Table 5.9.2**). In both cases, the estimated cost of the leave is also provided.

Table 5.9.1: Sick leave, 01 January 2004 to 31 December 2004

Salary Bands	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	151	15%	22	26.5%	7	1
Highly skilled production (Levels 6-8)	170	25%	25	30.1%	7	4
Highly skilled supervision (Levels 9-12)	189	22%	34	41%	6	4
Senior management (Levels 13-16)	2	0%	2	2.4%	1	2
TOTAL	512	-	83	100%	6	11

Table 5.9.2: Disability leave (temporary and permanent), 01 January 2004 to 31 December 2004

Salary Bands	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	15	100	1	33.3	15	2
Highly skilled production (Levels 6-8)	82	100	1	33.3	82	25
Highly skilled supervision (Levels 9-12)	42	100	1	33.3	42	16
Senior management (Levels 13-16)	0	0	0	0	0	0
TOTAL	139	100	3	100	46	43

Table 5.9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000

requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 5.9.3: Annual Leave, 01 January 2004 to 31 December 2004

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	7	7
Skilled (Levels 3-5)	335	12
Highly skilled production (Levels 6-8)	587	19
Highly skilled supervision (Levels 9-12)	754	19
Senior management (Levels 13-16)	206	34
TOTAL	1 889	18

Table 5.9.4: Capped leave, 01 January 2004 to 31 December 2004

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2004
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	3	1	3
Highly skilled production (Levels 6-8)	16	2	8
Highly skilled supervision (Levels 9-12)	44	5	9
Senior management (Levels 13-16)	8	1	8
TOTAL	71	9	8

Table 5.9.5 summarises payments made to employees as a result of leave that was not taken.

Table 5.9.5: Leave payouts for the period 01 April 2004 to 31 March 2005

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2004/05 due to non-utilisation of leave for the previous cycle	6	1	6,215.27
Capped leave payouts on termination of service for 2004/05	0	0	0
Current leave payout on termination of service for 2004/05	7	2	3,724.30
TOTAL	13	3	4,574.62

5.10 HIV/Aids Health Promotion Programmes

Table 5.10.1 HIV/Aids Health Promotion Programmes

Units/categories of employees identified to be at high risk of contracting HIV and Aids related diseases (if any)	Key steps taken to reduce the risk
Specific categories of staff were not identified. All staff should be regarded as being at a high risk of contracting HIV and related diseases	Display of posters, banners, pamphlets and brochures
	Distribution of condoms amongst staff
	Special advocacy arrangements designed for commemorative days
	VCT sessions

Table 5.10.2: Details of HIV/Aids Health Promotion Programmes

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		The designated employee is Mr N Gwynne-Evans (Director).
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		The Department established a HRFU, which consists of 6 members. The budget for this purpose was indicated in the operational budget for this component and cannot be separately reflected.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.		x	Currently the Employee Assistance Programme is co-ordinated by the Provincial Department of Health.
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		Mr N Gwynne-Evans (Director), represents the Department on the Provincial Employee Aids Committee.
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	x		Awareness advocacy sessions were conducted to sensitise staff about HIV/Aids.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x		Display of posters, banners, pamphlets and brochures as well as information sessions. Distribution of condoms amongst staff.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		Voluntary Counselling and Testing was advocated. It is not possible to report on results as testing and results are confidential.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.		x	To be developed.

5.11 Labour relations

Table 5.11.1: Collective agreements, 01 April 2004 to 31 March 2005

Total collective agreements	None
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Table 5.11.2: Misconduct and disciplinary hearings finalised, 01 April 2004 to 31 March 2005

Outcomes of disciplinary hearings	Number	% of total
Verbal warning	2	67
Demotion	1	33
TOTAL	3	100

Table 5.11.3: Types of misconduct addressed at disciplinary hearings, 01 April 2004 to 31 March 2005

Type of misconduct	Number	% of total
Misrepresentation	1	33
Improper Conduct	2	67
TOTAL	3	100

Table 5.11.4: Grievances lodged for the period 01 April 2004 to 31 March 2005

Grievances	Number	% of total
Number of grievances resolved	1	100
Number of grievances not resolved	0	0
Total number of grievances lodged	1	100

Table 5.11.5: Disputes lodged with Councils for the period 01 April 2004 to 31 March 2005

Disputes	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Number of disputes not finalised	2	100
Total number of disputes lodged	2	100

Table 5.11.6: Strike actions for the period 01 April 2004 to 31 March 2005

Total number of person working days lost	2
Total cost (R'000) of working days lost	R917.03
Amount (R'000) recovered as a result of no work no pay	R917.03

Table 5.11.7: Precautionary suspensions for the period 01 April 2004 to 31 March 2005

Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	5
Cost (R'000) of suspensions	R1,230.21

5.12 Skills development

This section highlights the efforts of the Department with regard to skills development.

Table 5.12.1: Training needs identified, 01 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 01 April 2004	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	0	2	0	2
	Male	5	0	2	0	2
Professionals	Female	0	0	0	0	0
	Male	1	0	0	0	0
Technicians and associate professionals	Female	28	0	148	0	148
	Male	35	0	86	0	86
Clerks	Female	24	0	136	0	136
	Male	2	0	29	0	29
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	2
Elementary occupations	Female	0	0	2	0	0
	Male	0	0	0	0	0
Sub-total	Female	55	0	0	0	0
	Male	44	0	0	0	0
Total		99	0	405	0	405

Table 5.12.2: Training provided, 01 April 2004 to 31 March 2005

Occupational Categories	Gender	Number of employees as at 01 April 2005	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	0	1	0	1
	Male	7	0	3	0	3
Professionals	Female	1	0	0	0	0
	Male	2	0	2	0	2
Technicians and associate professionals	Female	56	0	133	0	133
	Male	41	0	83	0	83
Clerks	Female	26	0	206	0	206
	Male	6	0	39	0	39
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	7	0	7
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub-total	Female	87	0	340	0	340
	Male	57	0	134	0	134
Total		144	0	474	0	474

Table 5.12.3 for the period 01 April 2004 to 31 March 2005

	Black			Coloured		Indian	White		Black		Coloured					White			Sub-Total	
	Clerks	Interns	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Plant and machine Operators	Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Senior Officials & Managers	Senior Officials & Managers Total		Technicians and Associate Professionals
Course	Female									Male										
Accelerate Business Writing											1									1
Accelerate Facilitation Participation															1		1	1		2
Accelerate Telephone Skills	1																			1
Administration of Injuries-on-Duty																				1
Advanced Family Law			1	1																1
Assessor Training							2													2
Asset Bar Coding Training										1		2				2				5
Asset Management In The Public Sector										1						1				2
Basic Computer Skills				1																1
Basic Fire Fighting Training				2							1	2								5
Bid Training					2	1										1				4
Budget and Costing				1								1								2
Budget Management and Reporting																	1			1
Business Information Systems			1																	1
Candidate for a Health and Safety Representative course											1									1
Candidate for a Management Overview Course											1									1
Client Care				5	1								1			1				8
COID Administration Workshop				1																1
Communication I	1			1	1															3
Corporate Law			1																	1
Critical Legal Analysis			1																	1
Sub-Total	2	0	4	12	4	1	2	0	0	2	4	5	1	0	1	6	1	1	0	0

Table 5.12.3 for the period 01 April 2004 to 31 March 2005 (continued)

	Black			Coloured		Indian	White		Black		Coloured					White			Sub-Total	
	Clerks	Interns	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Plant and machine Operators	Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Senior Officials & Managers	Senior Officials & Managers Total		Technicians and Associate Professionals
Course	Female									Male										
Disability Access Conference					1															1
Disability Awareness Session	5		2	11	6		1			1	2					3				31
Disability Workshop					1															1
Diversity Awareness Workshop	5		1	12	5		1	1		4	1	2	1	1		4			1	39
Diversity Management				2					2							1				5
Effective Communication				1	1				1							1				4
End-User Computing I				1	1															2
Engendering Macro Economics and International Trade: An African Perspective					2															2
English 106				1																1
Excel 2000 Beginners												1				1				2
Excel 2000 Intermediate				1																1
Executive PHD course															1					1
First Aid Training Level 1	1			2												1				4
Handling Employee Grievances Workshop					1															1
Health and Safety Workshops											1									1
HIV/Aids Awareness Talk	3		3	13	5		1	1		2	2		1	1						32
Human Resource Management			2	3	1						1	1								8
Ikapa Elihlumayo Workshop	6			11	3		2	2	3	2	2	1	1			13				46
Interpersonal Skills				1				2				1								4
Intouch Software Training	1				2			1	1							2				7
Introduction to Advocacy																				1
Introduction to Project Management			1						1							1				2
Sub-Total	21	0	9	59	29	0	5	7	8	9	9	6	3	2	1	27	0	0	1	196

Table 5.12.3 for the period 01 April 2004 to 31 March 2005 (continued)

	Black			Coloured		Indian	White		Black		Coloured				White			Sub-Total		
	Clerks	Interns	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Plant and machine Operators	Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Senior Officials & Managers		Senior Officials & Managers Total	Technicians and Associate Professionals
Course	Female									Male										
Job Analyst Training			1	2																3
Job Evaluation Panel Training															1	1				2
Law of unjustified enrichment			1																	1
Leadership Development Workshop					1															1
Life Skills	1																			1
Marketing Management			1																	1
Masters/Doctoral Conference																1			1	2
Meeting Skills	2			2	2				1	1	1									9
Microsoft Project 2000				1													1			2
Ms Access 2000 - Introduction					1															1
Ms Excel 2000 - Intermediate												2								2
Ms Excel 2000 - Introduction Course	1																			1
Ms Word 2000 Level 1 And 2				2						1										3
Ms Word Beginners				1																1
Occupational Health and Safety Compliance Up-Date Seminar											1									1
Operations Management			1																	1
Orientation				1	1				1		2						2			7
Sub-Total	4	0	4	9	5	0	0	0	2	2	4	2	0	0	1	5	0	0	1	39

Table 5.12.3 for the period 01 April 2004 to 31 March 2005 (continued)

	Black			Coloured			Indian	White		Black		Coloured					White			Sub-Total
	Clerks	Interns	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Plant and machine Operators	Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Senior Officials & Managers	Senior Officials & Managers Total	Technicians and Associate Professionals	
Course	Female									Male										
Performance Budgeting and Costing				1		0										1				2
Persal Introduction				1			1													2
Policy Making In Government										1										1
Powerpoint 2000 Level 1																1				1
Presentation Skills	2															2				4
Private Law 101				1																1
Problem Solving and Decision Making	1			2	1				2			1				2				9
Professional Business Writing Skills for Administrators	1																			1
Project Management				1	4				1							2				8
Protocol Workshop				1																1
Public Decision-Making I	1			1	1															3
Public Information Services I				1	1															2
Public International Law			1																	1
Public Office Management I	1			1	1															3
Public Resource Delivery I	1			1	1															3
Public Service Delivery I	1			1	1															3
Records Management Course										2										2
Reorientation in Public Service	7	1	3	12	1		2	2	2	3	3	2	1			2				41
Research Methods			1																	1
Sub-Total	15	1	5	24	11	0	3	2	5	3	6	3	1	0	0	10	0	0	0	89

Table 5.12.3 for the period 01 April 2004 to 31 March 2005 (continued)

	Black			Coloured		Indian	White		Black		Coloured					White			Sub-Total	
	Clerks	Interns	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Plant and machine Operators	Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Senior Officials & Managers	Senior Officials & Managers Total		Technicians and Associate Professionals
Course	Female									Male										
Self Defence Talk	6		2	12	6			1	1	3	2									33
Self Defence Workshop	1		1	6	7			1	3											19
Self Management I	1			1	1															3
SHE Representative Training				2	1				1			1	1							5
Skills Development Facilitator Course							1													1
Source Link Electronic Purchasing System	1																			1
SPMS General Information Session			1	5	3		1	1	2	1		1	1			2			1	18
SPMS Individual Performance and Development Plans	1			1						1										4
SPMS Workshop: Individual Performance and Development Plan					1															2
Spreadsheets and Databases				1	1															2
Supervision											1									1
Supervision Skills																1				1
Supply Chain Management	1			1																2
Supply Chain Management Training	1															1				4
Sub-Total	12	0	4	31	20	0	2	3	7	5	3	2	2	0	0	4	0	0	1	96

Table 5.12.3 for the period 01 April 2004 to 31 March 2005 (continued)

	Black			Coloured	Indian	White		Black	Coloured					White			Sub-Total			
	Clerks	Interns	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Clerks	Technicians and Associate Professionals	Plant and machine Operators	Professionals	Senior Officials & Managers	Technicians and Associate Professionals	Senior Officials & Managers		Senior Officials & Managers Total	Technicians and Associate Professionals	
Course	Female									Male										
Tendering and Bidding Procedure				1																2
The Origin & Foundations Of SA Law 101				1															1	
The Origin & Foundations Of SA Law 102				1															1	
Train-the-Trainer							2												2	
Transport Officer	1																		1	
Women In Management					1														1	
Writing For Public Relations									1										1	
Sub-Total	1	0	0	3	1	0	2	0	1	0	0	0	0	0	0	1	0	0	0	9
Grand Total	55	1	1	138	70	1	14	12	23	21	26	18	7	2	3	53	1	1	3	474

Table 5.12.4: Departmental Internship Programme, 01 April 2004 to 31 March 2005

Level of Qualification	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
NQF Level 7	1	0	0	0	1	0	0	0	2
NQF Level 6	2	1	0	1	11	3	0	2	20
NQF Level 5	1	0	0	0	1	2	0	0	4
NQF Level 4	2	1	0	0	2	0	0	0	5
TOTAL	6	2	0	1	15	5	0	2	31

The Departmental Internship Programme was offered to:

1. unemployed graduates; and
2. students who, as a requirement for graduation, must complete compulsory Internship/Workplace experience.

5.13 Injury duty

Table 5.13.1: Injury on duty, 01 April 2004 to 31 March 2005

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
TOTAL	1	100

5.14 Utilisation of consultants

The Department has for the period under review engaged with a number of consultants. The services of the consultants were contracted on the basis of the following criteria:

- the necessary skills to perform the particular services were not available in the Department; and
- the Department could not reasonably expect either to train or to recruit suitable people in the time available.

The need for the consultants was determined as part of the overall planning of projects. Contracts were regulated by Service Level Agreements (SLAs), which outlines the performance and completion of specified tasks within a set period of time, and under special conditions of contract.

The consultants appointed in terms of Historically Disadvantaged Individuals (HDIs) have the following profile:

- 44.11 % Ownership by HDI Consultants
- 39.36% Management by HDI Consultants

Table 5.14.1: Report on consultant appointments using appropriated funds

Project Title	Reason for contracting the consultant	Total number of consultants that worked on the project	Duration in work days	Contract value in Rand
1. Tourism Human Resources Development (HRD) Situational Analysis in the Western Cape to be conducted.	To perform baseline research, including data collection.	4	123 days	R198,940.00
2. The Development and Testing of indicators for monitoring and measuring the extent of achievement of a Learning Province.	To develop learning indicators as a measurement tool.	5	150 days	R300,000.00
3. Providing Labour Market trends and information focused on the skill demand postulated in certain areas of economic growth and opportunity.	To perform research and analysis of labour trends.	1	92 days	R227,700.00
4. Process of developing the Micro-economic Development Strategy (MEDS) for the Department of Economic Development and Tourism.	To perform strategic research and analysis across the identified sectors and themes.	1	185 days	R108,000.00
5. Various Researchers as multiple source suppliers for the development of the Micro-economic Development Strategy (MEDS) for the Western Cape.		11	183 days	R1,242,000.00
6. Compile a report on the policy options relating to the proposed Western Cape Liquor policy document.	To develop a policy document.	7	173 days	R105,905.00
7. Previously disadvantaged individuals to participate in the strategy formulation training programme of the Micro-economic Development Strategy (MEDS).	To facilitate skills transference in terms of HDIs.	4	77 days	R77,400.00
8. Recruitment of up to 11 Sector/Theme Specific Researchers for the second phase of the Micro-economic Development Strategy (MEDS) process.	To perform strategic research and analysis across the identified sectors and themes.	11	136 days	R1,128,600.00
9. 3 Scientific Committee Members for the second phase of the Micro-economic Development Strategy (MEDS) process.	To oversee the quality of the MEDS research process, including quality control of the individual research papers.	3	136 days	R307,800.00
10. Recruitment of a Chief Economist for the second phase of the Micro-economic Development Strategy (MEDS).	To manage the MEDS research process and to serve in an advisory capacity.	1	341 days	R250,000.00
11. Monitor and evaluate the Department's tourism business development programmes.	To develop a M & E system as a measurement tool.	4	167 days	R264,508.00
		Total individual consultants	Total duration in work days	Total contract value in Rand
		52	1 763	R4,210,853.00

Table 5.14.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
1. Tourism Human Resources Development (HRD) Situational Analysis in the Western Cape to be conducted.	51%	32%	3
2. The Development and Testing of indicators for monitoring and measuring the extent of achievement of a Learning Province.	57.25%	43%	2
3. Providing Labour Market trends and information focused on the skill demand postulated in certain areas of economic growth and opportunity.	100%	100%	1
4. Process of developing the Micro-economic Development Strategy (MEDS) for the Department of Economic Development and Tourism.	0	0	0
5. Various Researchers as multiple source suppliers for the development of the Micro-economic Development Strategy (MEDS) for the Western Cape.	75%	75%	3
6. Compile a report on the policy options relating to the proposed Western Cape Liquor policy document.	0	0	2
7. Previously disadvantaged individuals to participate in the strategy formulation training programme of the Micro-economic Development Strategy (MEDS).	100%	100%	4
8. Recruitment of up to 11 Sector/Theme Specific Researchers for the second phase of the Micro-economic Development Strategy (MEDS) process.	18%	18%	2
9. 3 Scientific Committee Members for the second phase of the Micro-economic Development Strategy (MEDS) process.	33%	33%	1
10. Recruitment of a Chief Economist for the second phase of the Micro-economic Development Strategy (MEDS).	0	0	0
11. Monitor and evaluate the Department's tourism business development programmes.	51%	32%	3